

# **INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT**

By and Between

CenturyTel of Washington, Inc.

CenturyTel of Inter Island, Inc.

CenturyTel of Cowiche, Inc.

And

RCC Holdings, Inc.

In the state of

Washington

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This Interconnection and Reciprocal Compensation Agreement (“Agreement”), is entered into by and between CenturyTel of Washington, Inc., CenturyTel of Inter Island, Inc., and CenturyTel of Cowiche, Inc. (“CenturyTel”) and RCC Holdings, Inc. (“RCC”), (individually, “Party” or collectively, “the Parties”). Additional information as to the Parties that is to be used in connection with implementation of this Agreement is found in Attachment II.

WHEREAS, RCC is authorized by the Federal Communications Commission (“FCC”) to provide CMRS (as defined in Section 1.5 ) and provides such service to its end user customers, operating wireless affiliates and switch share/managed markets; and

WHEREAS, CenturyTel is a certified provider of local exchange service; and

WHEREAS, RCC terminates local telecommunications traffic that originates from CenturyTel’s subscribers, and CenturyTel terminates local telecommunications traffic that originates from RCC’s subscribers; and

WHEREAS, RCC may request a point of direct interconnection in the CenturyTel service areas, or may indirectly interconnect with CenturyTel’s network via a third party Tandem Switch; and

WHEREAS, the Parties wish to establish a reciprocal compensation interconnection arrangement that compensates each other for terminating local telecommunications traffic that originates on the other Party’s network.

NOW, THEREFORE, IN CONSIDERATION of the covenants contained herein, the Parties hereby agree as follows:

1. DEFINITIONS.

1.1 “Act” means the Communications Act of 1934, as amended, including the Telecommunications Act of 1996.

1.2 An “Affiliate” of a Party means a person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with a Party. For purposes of this definition, the term “own” means to have a majority ownership interest in, or have voting control of a majority of the ownership interests in, such corporation or other legal entity.

1.3 “Business Day” means any weekday other than a Saturday, Sunday or holiday on which the U.S. Mail is not delivered.

1.4 “Central Office” means a switching facility from which Telecommunications Services are provided, including, but not limited to:

i) An “End Office Switch” or “End Office” is used, among other things, to terminate telecommunications traffic to end user subscribers.

- ii) A “Tandem Switch” or “Tandem Office” is a switching facility that is used to interconnect trunk circuits between and among End Office Switches, aggregation points, points of termination, or points of presence.
  - iii) A “Mobile Switch Center” or “MSC” is a switching facility that provides Tandem and/or End Office switching capability.
- 1.5 “CMRS ” means Commercial Mobile Radio Service as defined in the Act and 47 C.F.R. § 20.3.
- 1.6 “Commission” refers to the state regulatory commission within a state.
- 1.7 “Common Channel Signaling” or “CCS” means a high-speed specialized packet switched communications network that is separate (out-of-band) from the public packet-switched and message networks. CCS carries addressed signaling messages for individual trunk circuits and/or database-related services between Signaling Points in the CCS network using SS7 signaling protocol.
- 1.8 “Interconnection” as defined in 47 C.F.R. § 51.5, is the physical linking of two networks for the mutual exchange of traffic. This term does not include the Transport and Termination of traffic.
- 1.9 “Interconnection Facilities” - For CenturyTel, those facilities between the CenturyTel Central Office switch and the POI; for RCC, those facilities between the RCC MSC and the POI.
- 1.10 “Local Exchange Carrier” or “LEC” is as defined in the act 47 U.S.C. § 153 (26).
- 1.11 “Local Exchange Routing Guide” or “LERG” means the Telcordia reference customarily used to identify NPA-NXX routing and homing information.
- 1.12 “Local Traffic” is that telecommunications traffic, which originates and terminates within the same major trading area (“MTA”), as defined in 47 C.F.R. §24.202(a). For purposes of determining whether traffic originates and terminates within the same MTA, and therefore whether the traffic is local, the location of the landline end user and the location of the cell site that serves the mobile end user at the beginning of the call shall be used. Local Traffic includes mandatory expanded local calling area plans such as Extended Area Service (“EAS”). Local Traffic excludes Information Service Providers (“ISP”) traffic (e.g., Internet, 900-976, etc.) and inter-MTA and paging traffic.
- 1.13 “POI” means the mutually agreed upon point of interconnection between CenturyTel and RCC where the parties establish interconnection and exchange traffic. The POI for direct interconnection to a CenturyTel Tandem or End Office shall be within CenturyTel’s local exchange service area.

- 1.14 “PSTN” means the Public Switched Telephone Network.
- 1.15 Reciprocal Compensation Credit” means a monetary credit for wireline to wireless traffic that is originated by an end user of CenturyTel and terminates to an end user subscriber of RCC within the MTA.
- 1.16 “Tandem Switching” is when CenturyTel provides Tandem Switching and transport at a CenturyTel Tandem Switch for traffic between RCC and an End Office subtending the CenturyTel Tandem Switch.
- 1.17 “Telecommunication Services” shall have the meaning set forth in 47 USC §153(46).
- 1.18 “Termination” means the switching of Local Traffic at the terminating carrier’s Central Office, or functionally equivalent facility, and the delivery of such traffic to the called party.
- 1.19 “Transiting” is when CenturyTel provides Tandem Switching at a CenturyTel Tandem Switch for traffic between RCC and a non-CenturyTel End Office subtending the CenturyTel Tandem Switch.
- 1.20 “Transport” means the transmission and any necessary Tandem Switching by a Party of Local Traffic from the POI between the Parties, which POI may be via the transit services provided by another carrier to the terminating carrier’s Central Office, or functionally equivalent facility, that directly serves the called party.
- 1.21 “Type 1 Wireless Interconnection” is a line side trunk provided by the LEC to the CMRS Provider that utilizes NPA NXX’s assigned to and resident in the LEC End Office. The LEC numbers may be assigned by the CMRS Provider to their individual customers or the interconnection may be used only for auxiliary services for which the LEC must record and/or provide billing information, i.e., Operator Service, Directory Assistance, etc. The numbers assigned to the CMRS Provider from the LEC office remain under the control of the LEC and any access between these numbers and PSTN must be made utilizing the LEC End Office to which the numbers are assigned.
- 1.22 “Type 2 Wireless Interconnection” is a trunk interconnecting the LEC Central Office with a CMRS Provider’s Mobile Switching Center. This type of connection may only be used for exchanging Local Traffic or terminating wireless to wireline interMTA traffic.
- i) Type 2A: is trunk interconnection between a LEC Tandem Switch and a CMRS Provider Mobile Switching Center. Through this interface, RCC can connect to Century Tel’s End Offices and non-CenturyTel End Offices that subtend the CenturyTel Tandem Switch.
  - ii) Type 2B: is a trunk interconnection between a LEC End Office and a CMRS Provider Mobile Switching Center. This interconnection will only

provide access to numbers residing in the LEC End Office to which the interconnection is made, including EAS served by the LEC End Offices.

2. RURAL TELEPHONE COMPANY.

CenturyTel asserts that it is a "rural telephone company" as that term is defined in the Act, 47 U.S.C. 153. CenturyTel further asserts that, pursuant to Section 251(f)(1) of the Act, CenturyTel is exempt from Section 251(c) of the Act. Notwithstanding such exemption, CenturyTel has entered into and accepted this Agreement for purposes of exchanging traffic, as defined herein, with RCC. CenturyTel's execution of this Agreement does not in any way constitute a waiver or limitation of CenturyTel's rights under Section 251(f)(1) or 251(f)(2) of the Act. Accordingly, CenturyTel expressly reserves the right to assert its right to an exemption or waiver and modification of Section 251(c) of the Act, in response to other requests for interconnection by RCC or any other carrier.

3. TRAFFIC INTERCHANGED.

- 3.1 The traffic subject to this Agreement shall be that Local Traffic which originates from a subscriber on the network of one Party and is delivered to a subscriber on the network of the other Party via a Type 2 Wireless Interconnection through direct Interconnection Facilities. Terms and conditions for the interchange of traffic between the Parties via Type 1 Wireless Interconnection are governed by CenturyTel's applicable local tariff.
- 3.2 This Agreement also addresses the Parties' reciprocal compensation obligations as described in Section 251(b)(5) of the Act and the exchange of Local Traffic between the Parties' respective networks which is delivered via a third party Tandem Switch where there is no direct connection between RCC and CenturyTel.
- 3.3 The Parties may transit Local Traffic through a common third party access tandem provider. The originating Party will be responsible for payment of any transit charges (including tandem switching) assessed by the third party carrier for use of the third party carrier's tandem switch and facilities for the exchange of Local Traffic. The Parties agree that at such time as the Commission enters a final, binding and non-appealable order ("Final Commission Order") determining that payment for transiting charges for the exchange of Local Traffic is to be made by a Party different than the Party on whose network the call originates, the Parties shall compensate each other in accordance with the Final Commission Order retroactive to the effective date of the Final Commission Order.
- 3.4 If traffic volumes grow to a point where it necessitates a direct Type 2 Wireless Interconnection between CenturyTel and RCC or if such a direct Type 2 Wireless Interconnection is otherwise required, then CenturyTel and RCC shall establish a POI within CenturyTel's local exchange serving area.

4. FACILITIES.

Each Party shall construct, equip, maintain and operate its network in accordance with good engineering practices for telephone systems and in compliance with all applicable rules and regulations, as amended from time-to-time, of any regulatory body empowered to regulate any aspect of the facilities contemplated herein. Where appropriate and consistent with industry practices and upon reasonable notice, each Party shall make the necessary arrangements to assure the other Party access to the POI for testing, maintenance, repairing and removing Interconnection Facilities.

When ordered by RCC, CenturyTel shall provide interconnection circuits of a quality comparable to that provided to any other interconnected Local Exchange Carrier or to private branch exchanges between the CenturyTel Central Office and the POI, located in CenturyTel's local exchange serving area. CenturyTel shall not be responsible for providing facilities, or paying for the cost of such facilities, on RCC's side of the POI or anywhere outside of the boundaries of CenturyTel's service territory. CenturyTel and RCC will jointly determine the interconnection circuit design and routing as well as the selection of the switching center from which service will be provided.

CenturyTel shall provide dedicated private line circuits between RCC's Mobile Switching Center, remote cell sites and control points, when ordered by RCC. When ordering these circuits, RCC shall specify the originating and terminating points for such circuit, the bandwidth required, the transmission parameters and such other information as CenturyTel may reasonably require in order to provide the circuits. CenturyTel and RCC will jointly determine the design and routing of these circuits, taking into account standard CenturyTel and RCC traffic engineering methods, the availability of facilities and equipment and CenturyTel's traffic routing plans.

It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the LERG guidelines to recognize and route traffic to the other Party's assigned NXX codes. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

The Parties expect that where feasible, traffic will be delivered to each involved network with CCS/SS7 protocol and the appropriate ISUP/TCAP message to facilitate full interoperability and billing functions. In-band signaling may be used if CCS/SS7 is not available.

5. RATES AND CHARGES.

5.1 The Parties hereby agree to the following rates for the facilities and services to be provided pursuant to this Agreement.

<u>Facilities</u>	<u>Rates</u>
1. Interconnection Facilities	The rates for these facilities, if provided by CenturyTel, are specified in CenturyTel's applicable interstate Special Access Tariff.

2. Local Network Usage            The Parties agree to compensate each other for the Transport and Termination of terminating traffic that originates on the other Party's network. The reciprocal Local Network Usage rate is identified in Section 1(A) of Attachment I.
3. Tandem Switching                For RCC Local Traffic that is transported to a CenturyTel End Office via a CenturyTel Tandem Switch, RCC will compensate CenturyTel for the tandem switched traffic between RCC and the CenturyTel End Office company at rates defined in Section 1(A) of Attachment I.
4. Transiting                        For RCC's Local Traffic that is transported to non-CenturyTel End Offices via a CenturyTel Tandem Switch, RCC will compensate CenturyTel for the tandem switched traffic between RCC and the non-CenturyTel end office company at rates defined in Section 1(B) of Attachment I. By transporting traffic to non-CenturyTel End Offices via a CenturyTel Tandem Switch, RCC assumes any responsibility for terminating compensation to the non-CenturyTel End Office Company.
- 5.2    The charges for Interconnection Facilities shall be determined by CenturyTel's applicable interstate Special Access Tariff for such facilities. Where these Interconnection Facilities are used for two-way traffic, the applicable recurring charges (if any) will be reduced by a percentage equal to the percentage of traffic on such Interconnection Facilities that originates on CenturyTel's network and terminates on RCC's network. This percentage is referred to as the Land to Mobile Traffic Factor on Attachment I. The Parties agree that, at either Party's request, the Parties will review the Traffic Factor percentages based on actual usage. The new Traffic Factor will be based on actual traffic patterns during a six (6) month study. Any change to the Traffic Factors will thereafter be effective as agreed to by the Parties. The Parties agree that a review of the Traffic Factors will not occur more than once in any twelve-month period.
- 5.3    Each Party shall compensate the other for Transport and Termination of Local Traffic at the reciprocal Local Network Usage rates set forth in Section 1(A) of Attachment I. Traffic that originates on either Party's network and terminates on the other Parties' network via a third party Tandem Switch will be charged at the Local Network usage rates set forth in Section 1(A) of Attachment I.
- 5.4    The Parties will exchange billing information on a monthly basis. CenturyTel will prepare its bill in accordance with its existing CABS billing systems. RCC does not currently have its own billing system and will be compensated by



CenturyTel for Interconnection Facilities and Local Traffic Usage by using a Reciprocal Compensation Credit until such time RCC can provide a billing consistent with OBF industry standards. The Parties will make an effort to conform to current and future OBF (CABS BOS) standards, insofar as is reasonable. In the event that neither Party is capable of measuring, or has access to a measurement of traffic originating on CenturyTel's network, the charge to RCC for Local Traffic Network Usage and Interconnection Facilities shall be based upon mutually agreed upon assumed Traffic Factors. The initial Traffic Factors are set forth in Section 2(A) of Attachment I.

For purposes of billing compensation for the interchange of Local Traffic, billed minutes will be based upon conversation time. Conversation time will be determined from actual usage recordings. Conversation time begins when the originating Party's network receives answer supervision and ends when the originating Party's network receives disconnect supervision.

## 6. BILLING AND PAYMENT OF CHARGES.

Nonrecurring charges will be billed upon completion of the work activity for which the charge applies; monthly recurring charges will be billed in advance; and Local Network Usage will be billed in arrears. All bills will be due thirty (30) days from the billing date and will be considered past due forty-five (45) calendar days after the bill date. The Parties agree that they will each make a good faith effort to resolve any billing dispute.

If any undisputed amount due on the billing is not received by the billing Party by the payment due date, the billing Party may charge, and the billed Party agrees to pay, a late payment interest charge on the past due balance at a rate equal to the lesser of one and one-half percent (1½%) per month or the maximum non usurious rate of interest under applicable law. Late payment interest charges shall be included on the next invoice. The late payment interest charge is conditioned upon the billing Party delivering an invoice to the billed Party within eight (8) calendar days of the billing date.

If any portion of an amount due to a billing Party under this Agreement is subject to a bona fide dispute between the Parties, the billed Party shall within forty-five (45) days of its receipt of the invoice containing such disputed amount give written notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such written notice the specific details and reasons for disputing each item. The billed Party shall pay when due all undisputed amounts to the billing Party. Within thirty (30) days of final determination of the dispute, the balance of the Disputed Amount shall thereafter be paid with interest from the date such amount was due when originally invoiced through the payment date at a rate equal to the lesser of one and one-half percent (1½%) per month or the maximum rate allowable by law.

The billing Party shall charge and collect from the billed Party, and the billed Party agrees to pay to the billing Party, appropriate federal, state, and local taxes where applicable, except to the extent the billed Party notifies the billing Party and provides appropriate documentation that the billed Party qualifies for a full or partial exemption.

Backbilling or revised billing for all services, including Interconnection Facilities if applicable, provided pursuant to this Agreement may be billed for up to twelve (12) months after the date the services or Interconnection Facilities were furnished, provided that notification of a billing problem with respect to such service is provided. Neither Party will bill the other Party for previously unbilled charges that are more than one-year prior to the current billing date.

7. NON-LOCAL TELECOMMUNICATIONS TRAFFIC.

The Parties contemplate that they may exchange non-local telecommunications traffic over the Interconnection Facilities provided for under this Agreement. The originating Party will report to the terminating Party that traffic, if any, which is non-local in nature. Compensation for non-local traffic shall be subject to the appropriate interstate special access rates.

When the Parties provide an access service connection between an interexchange carrier ("IXC") and each other, each Party will provide its own access services to the IXC. Each Party will bill its own access services rates to the IXC pursuant to the procedures described in Multiple Exchange Carrier Access Billing ("MECAB") document SR-BDS-000983, issue 5, June 1994. The Parties shall provide to each other the Switched Access Detail Usage Data and the Switched Access Summary Usage Data to bill for jointly provided switched access service, such as switched access Feature Groups B and D. The Parties agree to provide this data to each other at no charge.

If the procedures in the MECAB document are amended or modified, the Parties shall implement such amended or modified procedures within a reasonable period of time. Each Party shall provide the other Party the billing name, billing address, and carrier identification code ("CIC") of the IXCs that may utilize any portion of either Party's network in an RCC/CenturyTel Meet-Point Billing ("MPB") arrangement in order to comply with the MPB notification process as outlined in the MECAB document.

8. CREDIT ALLOWANCE FOR SERVICE INTERRUPTIONS.

Credit allowance for interruption of services experienced by RCC, provided under this Agreement shall be governed by terms and conditions set forth in CenturyTel's intrastate access tariffs.

9. SERVICE ORDERS.

RCC shall order Interconnection Facilities on a per circuit basis and shall specify at the time the circuit is ordered the date on which RCC desires that the service be provided. CenturyTel will process such orders in accordance with its normal procedures for the installation of comparable circuits and will advise RCC whether or not it can meet the service date requested by RCC and, if not, the date by which service will be provided. If RCC wishes that the service be provided at an earlier date, CenturyTel will make reasonable efforts to meet RCC's request on the condition that RCC agrees to reimburse CenturyTel for all additional costs and expenses, including but not limited to overtime charges, associated with providing service at the earlier date.

10. IMPAIRMENT OF SERVICE.

The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the circuits, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

11. RESOLUTION.

If either Party causes an Impairment of Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

12. TROUBLE REPORTING.

In order to facilitate trouble reporting and to coordinate the repair of Interconnection Facilities, trunks, and other interconnection arrangements provided by the Parties under this Agreement, each Party has established a single point of contact available 24 hours per day, seven days per week, at telephone and facsimile numbers to be provided by the Parties. Each Party shall call the other at these respective telephone numbers to report trouble with connection facilities, trunks, and other interconnection arrangements, to inquire as to the status of trouble ticket numbers in progress, and to escalate trouble resolution.

Before either Party reports a trouble condition, it must first use its reasonable efforts to isolate the trouble to the other Party's facilities, service, and arrangements. Each Party will advise the other of any critical nature of the inoperative facilities, service, and arrangements and any need for expedited clearance of trouble. In cases where a Party has indicated the essential or critical need for restoration of the facilities, services or arrangements, the other Party shall use its best efforts to expedite the clearance of trouble.

13. TERM AND TERMINATION.

13.1 This Agreement shall be effective February 1, 2002, subject to approval by the Commission in accordance with Section 252 of the Act. This Agreement shall have an initial term of two (2) years, unless earlier terminated as provided for in this Agreement, and shall continue in force and effect thereafter, until replaced by

another agreement or terminated by either Party upon 90 days' written notice to the other.

Notwithstanding a notice of termination, this Agreement shall remain in effect until replaced by another agreement negotiated or arbitrated between the Parties pursuant to applicable law within 365 calendar days from the date that the notice of termination was received. This Agreement shall terminate on the 366<sup>th</sup> day after the date that the notice of termination was received if the Agreement has not been superseded by another agreement.

If this Agreement is terminated without a successor agreement, each Party agrees to disconnect from each other's network.

This Section 13.1 is subject to Sections 13.2 and 13.3.

13.2 Notwithstanding 13.1, this Agreement shall be terminated in the event that:

- a) the FCC revokes, cancels, does not renew or otherwise terminates RCC's authorization to provide CMRS in the area served by CenturyTel, or the Commission revokes, cancels, or otherwise terminates CenturyTel's certification to provide local service;
- b) either Party becomes bankrupt or insolvent, makes a general assignment for the benefit of, or enters into any arrangement with creditors, files a voluntary petition under any bankruptcy, insolvency or similar laws, or proceedings are instituted under any such laws seeking the appointment of a receiver, trustee or liquidator instituted against it which are not terminated within 60 days of such commencement.

13.3 Notwithstanding Section 13.1, either Party shall have the right to terminate this Agreement upon written notice to the other Party in the event:

- a) a Party is in arrears in the payment of any undisputed amount due under this Agreement for more than 90 days, and the Party does not pay such sums within ten business days of the other Party's demand for payment;
- b) a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty days after the other Party notifies the breaching Party in writing of such breach, including a reasonably detailed written statement of the nature of the breach.

13.4 If required by the Commission, no actual service disconnection shall occur without prior approval by the Commission.

#### 14. LIABILITY UPON TERMINATION.

Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other

Party or which thereafter accrues in any respect due to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

15. AMENDMENTS.

Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term “this Agreement” shall include future amendments, modifications, and supplements. Any amendment, modification or supplement to this Agreement shall be filed with the Commission and approved by the Commission as may be required by applicable law.

16. ASSIGNMENT.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party, which consent shall not be unreasonably withheld, shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee’s written assumption of the rights, obligations, and duties of the assigning Party. A Party making the assignment shall notify the Commission and the other Party at least sixty (60) days in advance of the effective date of the assignment.

17. AUTHORITY.

Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

18. BINDING EFFECT.

This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

19. COMPLIANCE WITH LAWS AND REGULATIONS.

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

20. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No

representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

21. EXPENSES.

Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

22. FORCE MAJEURE.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by the other Party, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.

23. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Washington, as well as the Telecommunications Act of 1996 and other federal laws, and shall be subject to exclusive jurisdiction of the courts and/or regulatory commission of such state, except to the extent that the Telecommunications Act of 1996 and other federal laws provide for federal jurisdiction.

24. INDEPENDENT CONTRACTOR RELATIONSHIP.

The persons implementing this Agreement on behalf of each Party shall be solely that Party's employees or contractors and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

## 25. LIABILITY AND INDEMNITY.

### 25.1 Indemnification.

Each Party agrees to release, indemnify, defend, and hold harmless the other Party, and its Affiliates, involved in the provision of services or facilities under this Agreement (collectively, the "Indemnified Parties") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other Party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of the form of the action.

### 25.2 End User and Content-Related Claims.

Each Party agrees to release, indemnify, defend, and hold harmless the Indemnified Parties from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by the indemnifying Party's end users against an Indemnified Party arising from provision of the services or facilities. Each Party further agrees to release, indemnify, defend, and hold harmless the Indemnified Parties from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by any third party against an Indemnified Party arising from or in any way related to actual or alleged defamation, libel, slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person or property arising out of content transmitted by the indemnifying Party or the indemnifying Party's end users, or any other act or omission of the indemnifying Party or the indemnifying Party's end users.

### 25.3 Disclaimer.

EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, EACH PARTY MAKES NO REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES OR FACILITIES PROVIDED UNDER THIS AGREEMENT. EACH PARTY DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

### 25.4 Limitation of Liability.

Each Party's liability, whether in tort or otherwise, shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services or facilities for the time period during which the services or facilities provided pursuant to

this Agreement are inoperative, not to exceed in total each Party's monthly charge to the other Party. Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or provision of services hereunder.

## 26. DISPUTE RESOLUTION.

### 26.1 Alternative to Litigation.

Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

#### Negotiations.

At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives to resolve the disputes. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives 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, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. 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 discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

#### Arbitration.

If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted



upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in Olympia, Washington or in a mutually agreeable alternative city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The arbitrator will have no authority to award punitive damages. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

#### 26.4 Expedited Arbitration Procedures.

If the issue to be resolved through the negotiations referenced in Section 26.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Should such a service-affecting dispute be submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedure rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 56)

#### 26.5 Costs.

Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitration and the arbitrator.

#### 26.6 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations (including making payments in accordance with Section 6) in accordance with this Agreement.

### 27. CONFIDENTIAL INFORMATION.

#### 27.1 Identification.

Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure. The following information shall be deemed Confidential Information, whether or not marked

as such: orders for services, usage information in any form, and Customer Proprietary Network Information (“CPNI”) as that term is defined by the Act and the rules and regulations of the FCC.

## 27.2 Handling.

In order to protect such Confidential Information from improper disclosure, each Party agrees:

- (a) That all Confidential Information shall be and shall remain the exclusive property of the Party from whom or from whose representative(s), the Confidential Information is obtained (“Source”);
- (b) To limit access to such Confidential Information to (1) authorized employees; (2) counsel; (3) auditors; and (4) such other persons that the other Party consents to in writing, provided, however, that such consent shall not be unreasonably withheld. All such employees, counsel, auditors, and other persons shall have a need to know the Confidential Information for performance of this Agreement, for negotiation of the interconnection agreement or for arbitration or other proceedings arising from or related to the negotiation of the interconnection agreement;
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the Source;
- (e) To return promptly any copies of such Confidential Information to the Source at the conclusion of the negotiations of the interconnection agreement or of the arbitration or other proceedings arising from or related to the negotiation of the interconnection agreement; and
- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder, for negotiating the interconnection agreement, or for conducting the arbitration or other proceedings arising from or related to the negotiation of the interconnection agreement, and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

## 27.3 Exceptions.

These obligations shall not apply to any Confidential Information that was legally in the recipient’s possession prior to receipt from the Source, was received in good faith from a Third Party not subject to a confidential obligation to the Source, now is or later becomes

publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the Source and shall reasonably cooperate if the Source deems it necessary to seek protective arrangements.

27.4 Survival

The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

28. NOTICES.

Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Notice may also be provided by facsimile, which shall be effective on the next business day following the date of transmission. The Party receiving the notice by facsimile will provide written confirmation to the other Party. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to CenturyTel: CenturyTel  
Carrier Relations – Western Region  
Attention: Jackie Phillips  
805 Broadway  
P.O. Box 9901  
Vancouver, WA 98660-3277  
Telephone number: (360) 905-6985  
Facsimile number: (360) 905-6811

With a copy to: CenturyTel  
Attn: Carrier Relations – Corporate Manager  
100 CenturyTel Drive  
Monroe, LA 71203  
Telephone number: (318) 388-9000  
Facsimile number: (318) 388-9072

If to RCC: RCC Holdings, Inc.  
Attention: Dean Polkow  
Carrier Relations Manager  
P.O Box 2000  
Alexandria, MN 56308  
Telephone number: (320) 808-2135  
Facsimile number: (320) 808-2466

29. REGULATORY AGENCY CONTROL .

Each party shall comply with all applicable federal, state and local laws, rules and regulations applicable to its performance under this agreement. CenturyTel and RCC further agree that the terms and conditions of this Agreement were composed in order to effectuate the legal requirements in effect at the time the Agreement was produced. Notwithstanding anything herein to the contrary, if, as a result of any effective decision, order or determination of any judicial, legislative or regulatory authority with jurisdiction over the subject matter thereof, it is determined that either Party is not required to furnish any service, facility, or arrangement, or to provide any benefit required to be furnished or provided to the other Party hereunder, then may discontinue or alter the provision of any such service, facility, arrangement or benefit to the extent permitted by any such decision, order or determination by providing 30 days' prior written notice to the other Party, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable tariff or applicable law) for termination of such service, in which event such specified period and/or conditions shall apply.

This Agreement shall at all times be subject to changes in applicable laws, rules, regulations and orders or rulings that may be subsequently prescribed by the FCC and/or the Commission. In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent jurisdiction, the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the regulatory agency, legislative body, or court upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at a written agreement regarding the appropriate conforming modifications to the Agreement to bring it into compliance with applicable law. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement.

30. SEVERABILITY.

If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith

for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

31. NO THIRD PARTY BENEFICIARIES.

This Agreement does not provide any person not a Party, assignee or successor to this Agreement and shall not be construed to provide any such third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege in excess of those existing without reference to this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**SIGNATURE PAGE**

IN WITNESS WHEREOF, each Party hereto has executed this Agreement to be effective February 1, 2002 subject to approval by the Commission in accordance with Section 252 of the Act.

**CenturyTel of Washington, Inc.  
CenturyTel of Inter Island, Inc.  
CenturyTel of Cowiche, Inc.**

**RCC Holdings, Inc.**

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

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

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT I - RATES AND FACTORS

### 1. LOCAL TRANSPORT AND TERMINATION RATES

- A. Transport and Termination Rate  
Tandem/End Office Rate MOU: \$.018

This rate is reciprocal and symmetrical for Local Traffic exchanged between CenturyTel and RCC and applies for all Local Traffic MOUs exchanged associated with a CenturyTel End Office.

- B. Transiting Rate  
Rate applied per MOU: \$.00852

This rate applies to all Local Traffic MOUs exchanged between RCC and an End Office of a non-CenturyTel Local provider through facilities of CenturyTel.

### 2. TRAFFIC FACTORS

- A. Traffic Factors:
- |      |                               |
|------|-------------------------------|
| 30%  | Land to Mobile Traffic Factor |
| 70%  | Mobile to Land Traffic Factor |
| 100% | Total 2-way Usage             |

The Traffic Factors describe the level of local usage originating from one Party and terminating to the other Party as a percentage of total 2-way Local Traffic exchanged between the Parties. For example, a Mobile to Land Traffic Factor of 70% would mean that, of total 2way Local Traffic MOUs exchanged between CenturyTel and RCC, 70% originated from a RCC wireless end user customer and terminated to a CenturyTel end user customer. These factors are used to apportion flat rated Interconnection Facilities between the Parties and may be used where needed as a billing surrogate for Local Network Usage. These factors are subject to change based upon mutually accepted traffic data as provided in Section 5.2. If factors are not updated the Parties shall use the last previously established factors.

- B. PLU: 100%

The Percent Local Usage (PLU) Factor describes the portion of Local Traffic exchanged between the Parties that both originated and terminated within the same local calling area. The local calling area for RCC is the MTA. This factor applies to both originating and terminating MOUs.

ATTACHMENT II – AFFILIATES & CENTURYTEL LOCAL CALLING AREA

**CenturyTel:**

CenturyTel of Washington, Inc.	OCN 2408
CenturyTel of Inter Island, Inc.	OCN 2422
CenturyTel of Cowiche, Inc.	OCN 2410

**RCC**

RCC Holdings, Inc.	OCN 6710
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**Current Calling Area**

<u>From RCC Rate Center</u>	<u>NPA</u>	<u>NXX</u>	<u>To CenturyTel Exchange</u>	<u>NPA</u>	<u>NXX</u>
Walla Walla	509	386	Eureka	509	749
Walla Walla	509	520	Eureka	509	749
Colville	509	675	Chewelah	509	935
			Hunters	509	722
			Kettle Falls	509	738