

UT-030483 (AF)  
8-17-05 (RE-OPEN)



**Verizon Northwest Inc.**

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

July 8, 2005

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

Subject: **AFFILIATED INTEREST AGREEMENT – ADVICE NO. 241**  
**Ref. Docket UT-030483**

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Dear Ms. Washburn:

Enclosed for filing with the Commission is a verified copy of the Twenty-Eighth Addendum to the National Agent Agreement between Verizon Wireless Companies and Verizon telephone operating companies, including Verizon Northwest Inc., which concerns unregulated activities.

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

Very truly yours,

Richard E. Potter  
Director  
Public Policy Affairs, Policy & Communications

Enclosure

VERIFICATION OF AFFILIATED INTEREST AGREEMENT

I verify that the enclosed is a true copy of the Twenty-Eighth Addendum to the National Agent Agreement between Verizon Wireless Companies and Verizon telephone operating companies, including Verizon Northwest Inc.

Richard E. Potter Date: 7/8/05

Richard E. Potter  
Director  
Verizon Northwest Inc.

TWENTY-EIGHTH ADDENDUM  
NATIONAL AGENT AGREEMENT  
C0405201

Cellco Partnership doing business as Verizon Wireless (hereinafter "Verizon Wireless") as successor in interest to GTE Wireless Incorporated on its own behalf and on behalf of certain affiliates and Verizon Communications Operating Companies as listed on Exhibit A to Addendum 25 of this Agreement (hereinafter "Agent") hereby agree to amend the National Agent Agreement, (Agent Contract No. C0405201) dated March 1, 1996 as amended through Amendment Twenty Seven (the "Agreement") Verizon Wireless and Agent may be referred to collectively as the "Parties," and singularly as a "Party."

WHEREAS, Verizon Wireless has entered into an agreement with a third party vendor, Datascape.com Incorporated ("Datascape") to provide Prepaid Processing Services ("Datascape Services"). The Datascape Services will enable Verizon Wireless' agents to activate new Prepaid Accounts and replenish existing Prepaid Accounts by processing electronic messages from the agent's location to a Verizon Wireless designated billing platform via a computer system or a VeriFone terminal thus eliminating the need for agents to purchase E-PINs, PINs or "hot cards." Agent processes all activations and replenishments for the benefit of Verizon Wireless Subscribers.

WHEREAS, Agent wishes to utilize Datascape's services and Verizon Wireless agrees that Agent may utilize Datascape's services for the sale of Verizon Wireless' Prepaid replenishment sales.

WHEREAS, Verizon Wireless has represented that it has entered into an agreement with Datascape to provide the Datascape Services to Verizon Wireless agents.

NOW, THEREFORE, in consideration of the promises and the mutual covenants set forth herein, Agent and Verizon Wireless agree to the following terms and conditions:

1. Upon execution of this Addendum, Agent will have a right to utilize the Datascape Services. Although Datascape Services can be utilized for new Prepaid Account activations and replenishment purposes, Agent shall only use Datascape Services for replenishment of existing Subscribers (as later defined) Prepaid Accounts until notified in writing by Verizon Wireless that the Datascape Services may also be used for new Prepaid Account activations. Prepaid Accounts can be replenished in any whole dollar amount from fifteen dollars (\$15.00) to six hundred dollars (\$600.00). Once Agent has accepted a payment from a customer, Agent guarantees payment to Verizon Wireless for the cash value of the Prepaid Airtime sold to customer less Commission due to Agent. In order to utilize Datascape Services, Agent must (i) provide Datascape with information Datascape needs to set up Agent and its locations, including Agent's banking information, and (ii) have in place the equipment, internet and telecommunications services required to utilize the Datascape Services as defined in Schedule 2 to this Addendum entitled Equipment Requirements. All setup information must be provided and the equipment

installed before a location can begin processing transactions as assigned and approved by the manager of a location.

2. The Datascape Services will replenish existing Subscriber accounts as follows:

- a. Agent will send electronic messages from its locations to Datascape by using a PC with an Internet connection and a local printer, or a VeriFone TRANZ 330, or 380x2 terminal and P250 Printer as defined in Schedule 2 to this Addendum.
- b. Datascape will:
  - (1). Validate an Agent location login and password for each transaction;
  - (2). Validate that all PC-based transactions have an active Datascape Agent ID token;
  - (3). Validate that all PC-based transactions purport to originate from a specified IP address range.
  - (4). Not perform transactions for Agent in excess of a credit limit set by Verizon Wireless;
  - (5). Only perform transactions that meet Verizon Wireless' published Prepaid rate plans and the minimum and maximum monetary amounts set by Verizon Wireless for payment acceptance.
  - (6). Require that Agent is using a secure Internet connection.
- c. Datascape will receive and process the electronic messages and transmit such information to a designated third party billing platform for replenishment of an existing Prepaid Account.
- d. Datascape will provide each Agent location a menu of transaction types. Below, is a list of possible Verizon Wireless transactions;

| Store Transaction Types | Requires a PIN? | Real Time Account Update? |
|-------------------------|-----------------|---------------------------|
| Prepaid Activation Sale | YES*            | YES                       |
| Cash Replenishment Sale | NO              | YES                       |
| Void Sale               | NO              | YES                       |

\*PINS can be found on Starter Cards.

There are additional support transaction types:

| Support Transaction Types | Requires a PIN? | Real Time Account Update? |
|---------------------------|-----------------|---------------------------|
| Store Totals              | NO              | NO                        |
| Store Activity Report     | NO              | NO                        |
| Account Inquiry           | NO              | YES                       |
| Reprint Transaction       | NO              | NO                        |

- b. Agent's transaction data will be sent to Datascape's server and once a transaction is processed, a record will be stored in Datascape's transaction database and a receipt data will be returned to the originating PC or terminal at the Agent location.
  - c. The Datascape Services will enable Agent to access on-line in real time mode, daily transactions. At the end of each business day, Agent will be able to view a summary of the daily transactions. The daily transaction detail report will summarize the total transactions, the dollar value of Prepaid Airtime sales less fifteen percent (15%) and applicable point of sale taxes, and the total amount of funds that will be withdrawn from the Agents bank account as further described in Section 3 of this Addendum. Agent will also be able to access weekly and monthly reports.
3. Datascape will transmit an ACH settlement file ("Settlement File") every business day to Verizon Wireless' designated bank for the settlement and reconciliation of funds received from the Agent locations. By executing this Addendum, Agent authorizes Verizon Wireless to withdraw funds from Agent's bank account in order to perform the daily ACH settlement. Agent agrees to provide Agent's selected bank information to Datascape and Verizon Wireless in order for Verizon Wireless' designated bank, to perform the daily ACH settlement. Verizon Wireless has appointed Wachovia Bank to act as its designated bank, however, Verizon Wireless may change its designated bank at any time by giving fourteen (14) days prior notice to Agent. The origination, transmission and issuance of data for payment shall be pursuant to the Agreement and this Addendum and the rules of the National Automated Clearing House Association and the applicable automated clearing house (collectively the "ACH Rules") as they may be amended from time to time. If there is a conflict between the specific terms of this Addendum, the Agreement and the ACH Rules, then the specific terms of this Addendum and the Agreement shall apply, unless expressly prohibited by the ACH rules.

Agent's bank account will be debited via ACH transfer on the second banking day following the date that the transaction has been processed by the Agent. The amount debited will equal eighty-five percent (85%) of the replenishment value of Prepaid Airtime sold by Agent. The remaining funds will constitute Agent's fifteen percent (15%) commission. Applicable point of sale taxes collected by Agent at time of sale will be excluded from the ACH transfer. (Example: A Subscriber purchases one hundred dollars (\$100) airtime, plus local and state taxes. Agent collects the one hundred dollars (\$100.00 payment plus local and state taxes via cash, check or credit card. Agent accesses the Datascape system and completes an order for one hundred dollars (\$100) of airtime. Subsequently the designated bank initiates the ACH debit against the Agent's bank account, at which point eighty five percent (85%) of the Prepaid Account replenishment value or in this case eighty-five dollars (\$85) is transferred to Verizon Wireless' account. The balance left behind includes the Agent's commission payment and applicable point of sale taxes. Both Parties will regularly review the accuracy of the ACH transfer dollar amounts in order to assure correctness of all transactions.

Verizon Wireless Treasury will make good faith efforts to review the accuracy of the ACH transfer dollar amounts every business day. Verizon Wireless Treasury may not be aware of and be able to notify Agent of a discrepancy until after a month-end bank statement is

received, analyzed and reconciled. If either Party should discover a discrepancy, it shall notify the other Party, at the earliest opportunity, usually within one (1) banking day. Upon receipt of such notification, Verizon Wireless Treasury shall investigate the discrepancy, notify Agent of the results of the investigation,. The parties will cooperate to correct any verified discrepancy normally within five (5) banking days from date of verification.

Should designated bank fail to conduct the funds transfer due to Agent's fault such as insufficient funds within the Agent's bank account or other such ACH return reasons (e.g., Agent bank account closed, Agent bank account frozen, etc.) Verizon Wireless shall have the right, in its sole discretion, suspend and/or permanently terminate Agent from using the Datascape Services by giving Agent one (1) business day notice before suspension or permanent termination begins.

Agent is responsible for transferring all funds, collected for Prepaid Accounts sales and owed to Verizon Wireless, via wire transfer or other payment method acceptable to Verizon Wireless, whenever such funds cannot be collected through the Wachovia Bank ACH debit process.

4. Agent hereby acknowledges and agrees that Agent will be solely responsible for all costs to obtain, install and maintain, in good working order, all the equipment necessary to implement and use the Datascape Services, including operational costs, and that if such equipment fails or is not working correctly, Agent will be responsible for fixing or replacing such equipment and that Verizon Wireless has no duty or obligation to provide, set-up, install, maintain, fix or replace the equipment to utilize the Datascape Services or any operational costs and telecommunication costs including Internet and telephone charges.

5. Agent will be responsible for obtaining Internet service from a reputable and reliable provider or for obtaining a stand-alone VeriFone terminal to enable Agent locations to access and utilize the Datascape Services.

6. Agent is responsible for collecting from Prepaid Account Subscribers all payments for Prepaid Airtime plus applicable taxes as required by law.

7. Agent shall provide each Prepaid Account Subscriber with a printed receipt containing the details of the transaction as specified on Schedule 1 to this Addendum .

8. Each business day, on or before 6:00 AM CST, Datascape will forward, in accordance with Agent's instructions and format requirements, a data file detailing the total amount of Prepaid Airtime sales less fifteen (15%) by Agent location for the previous day and for the month to date. The ACH transfer amount should match the Datascape daily data file. Agent shall notify Verizon Wireless and Datascape if it has not received the daily data file.

On a daily basis, Agent will compare sales information from Agent's locations against this Datascape data file. Should Agent notice any discrepancy in the amount withdrawn or any

failure to process and accurately report data, Agent shall immediately notify Verizon Wireless' Treasury Department's Electronic Payment Support Group.

9. Agent will deposit all Prepaid Service Account payments for all Datascape Service transactions to Agent's single predetermined bank account for all Agent locations. Agent shall have a right to change the designated bank account by providing Verizon Wireless with thirty (30) days prior written notice to Verizon Wireless.
10. Any issue concerning overpayment or underpayment of funds should be jointly and promptly addressed and resolved by both parties. However, should a fund transfer be rejected (for example due to insufficient funds in Agent's account or the agent's banking information is invalid), or if major payment delays or settlement discrepancies occur, Verizon Wireless shall have the right to discontinue processing transaction requests for Agent until the payment discrepancy is resolved.
11. Agent shall access the Datascape Services only from the Agent location(s) authorized by Verizon Wireless.
12. Agent shall be responsible for all matters relating to the use of the Datascape Services, including, but not limited to, (1) validating the employee log-in name and password(s), (2) ensuring the Datascape Services are only used for the express purposes stated in this Addendum; (3) ensuring that the password(s) are kept secure and changed whenever an Agent employee is terminated or no longer requires access to the Datascape Services.
13. Datascape shall provide the initial training on the Datascape system to Agent's Trainer at an Agent specified location. Thereafter, Agent will be responsible for training of Agent's employees.
14. Agent shall at all times remain responsible for the acts and omissions of all its employees or agents that access or utilize the Datascape system and will ensure that such employees and/or agents only use the Datascape system for the express purpose stated in this Addendum. Agent shall be responsible for all losses that occur as a result of Agent's or Agent's employees and/or agents acts including theft or fraud, and shall indemnify Verizon Wireless for such losses.
15. Verizon Wireless shall be responsible for losses incurred by Agent that occur as a result of theft, fraud or acts of omission by Datascape and/or Wachovia Bank and/or any other designated bank, and its employees during their performance under this Addendum.
16. ACCESS TO THE DATASCAPE SERVICES IS PROVIDED BY DATASCAPE "AS IS", "AS AVAILABLE". VERIZON WIRELESS MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY ASPECT OF THE SERVICES, AND HEREBY DISCLAIMS THE SAME. IN NO EVENT SHALL VERIZON WIRELESS BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES SUFFERED BY AGENT AS A RESULT OF INOPERABILITY OR MALFUNCTION OF THE

DATASCAPE SYSTEM, OR OTHERWISE RESULTING FROM OR RELATING TO ANY USE OF THE DATASCAPE SYSTEM BY AGENT OR TERMINATION OF THE SYSTEM, REGARDLESS OF WHETHER VERIZON WIRELESS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

17. Agent may continue to sell Verizon Wireless replenishment Cards in Agent's inventory until Agent has depleted its inventory of such Cards. Thereafter, Agent will replenish Verizon Wireless Prepaid Service solely through the Datascape Services.

18. The Prepaid Airtime Program, prices and terms and conditions of Verizon Wireless Prepaid Service may be withdrawn, changed, or enhanced by Verizon Wireless from time to time. Agent understands and agrees that Verizon Wireless may change its designated third party Prepaid processing vendor at any time upon written notice of thirty (30) days. Should Verizon Wireless change its third party prepaid processing vendor, Verizon Wireless will attempt to ensure that such change will not require Verizon Plus to change its existing equipment and telecommunications services (although such change may require installation of new software programs by Verizon Plus). In the event such change does require Verizon Plus to purchase new equipment, Verizon Plus may cease selling Verizon Wireless' Prepaid Airtime.

19. Except for a voided transaction immediately following the initial transaction and prior to the customer leaving the store, no voids, refunds or credits will be allowed. If a Subscriber requests a void and Agent determines airtime has been used, no credit or void will be permitted.

20. Agent will not activate new accounts using the Datascape Services unless Verizon Wireless provides written notice to Agent.

21. All terms and conditions with respect to the Phone-in-The-Box Program set forth in the Agreement and specifically in Addendum Twenty-Three (23) remain in full force and effect.

22. Agent may terminate or suspend the use of Datascape Services in full or at any specific Agent location without cause upon notice to Verizon Wireless and Datascape. Datascape will respond to direction from Agent's authorized representative to deactivate, activate or reactivate any specific location by merchant ID in a reasonable amount of time, or Agent will have the option of having its authorized representative perform the required change. Agent is responsible for informing Datascape of the individual(s) it wishes to have the authority to make such changes at the Agent location(s).



23. All other provisions contained in the Agreement and Addendum 23 not specifically modified herein shall remain in full force and effect.

24. This Addendum shall be effective when executed by both parties ("Effective Date").

IN WITNESS WHEREOF, the parties have executed and delivered this Twenty-~~Seventh~~<sup>Eighth</sup> Addendum to the National Agent Agreement.

7001  
6/23

CELLCO PARTNERSHIP  
dba Verizon Wireless

VERIZON SERVICES CORP.

By: *L. C. McAdam*

By: *George S. Dowell*

Name: LOWELL C. McADAM

Name: George Dowell

Title: EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER

Title: Vice President - Supply Chain Mngmt

Date: 6/23/05

Date: 2/24/05

**Schedule 1  
Required Receipt Verbiage**

Subscriber receipts must be generated in accordance with the following requirements and given to every Subscriber for each transaction: Receipts shall contain the following language:

**Terms and Conditions / Instructions**

The terms and conditions section must appear below the transaction details on every receipt.

**Account Cash Replenishment Receipt**

**Important Information About Your Account**

- Account Expiration - \$xx dollar payment balance expires yy days after the funds are added to your account. Any minutes remaining at expiration will be removed from the account.
- Saving Unused Minutes - To save your unused minutes, just add more minutes to your account before your unused minutes expire. Then, your unused minutes and your new minutes will be good for the number of days shown on payment receipt.
- Checking Your Balance - Dial \*611 (airtime free call) or 1-866-U-FREEUP (1-866-837-3387) when traveling to check your account balance, change your passcode, refill your account using a credit card or reach customer service.

**Legal Disclaimer YOU UNDERSTAND THAT THIS PREPAID PAYMENT IS A REPLENISHMENT OF YOUR EXISTING ACCOUNT. SERVICE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE PREPAY WIRELESS SERVICE AGREEMENT THAT YOU ACKNOWLEDGE YOU RECEIVED AND AGREED TO WHEN YOU ACTIVATED SERVICE.**

**Schedule 2**  
**Equipment Requirements**

Agent will access the Datascape system by using one of following two options:

**Option 1.** By utilizing a PC with Internet access and local printer, pre-existing equipment may be compatible for use with Datascape's system as long as Datascape captures the Agent location PC's Internet Protocol address prior to actual transactions. Utilizing this option will require an Agent location employee to conduct a short online test between the Agent location and Datascape's server. Agent location PCs must utilize Internet Explorer version 5.0 or greater, or Netscape Communicator version 4.7 or greater. Browser settings must allow SSL encryption, Javascript, and Cookies (stored and per-session).

Each Agent location using a PC with an Internet connection for PIN transactions must have access to a printer capable of printing an 8.5 x 11 inch receipt with graphics. If the PC is connected to an intranet, and routes data to the Internet through a proxy server, the proxy server must not cache copies of web pages from the domain "datascape.com".

Three forms of authentication will be required for transaction processing. Each employee will be required to enter a unique login and password for each transaction originating from a PC or terminal. Additionally each Agent location's PC will be authenticated by token data stored on its disk drive by Datascape. Only PC's with previously captured IP addresses will be allowed to perform Datascape transactions. This feature is for PCs connected to an intranet. SSL data encryption will be used for all PC transaction data.

**Option 2** - By utilizing a VeriFone TRANZ 330 or 380x2 terminal and Printer P250, Datascape's system requires the dedicated use of a VeriFone TRANZ 330 terminal. If Agent wants to use a single terminal for both credit card processing and PIN transaction processing, Agent may acquire a VeriFone TRANZ 380x2 terminal from Agent's credit card provider and Datascape will download the PIN application into one side of the terminal. Agent shall be responsible for the cost to obtain, install and maintain the equipment required to utilize this Option, including required telecommunication costs.