AMENDMENT

THIS AMENDMENT ("Amendment") to the Mast Advertising & Publishing, Inc. Telephone Directory Publishing Agreement With Telephone Company Affiliates of Continental Telecom Inc. executed August 15, 1985 ("Agreement") is dated as of October 10, 1995 by and between GTE Northwest Incorporated, a Washington corporation, and Associated Directory Services Inc., a Delaware corporation, formerly Mast Advertising & Publishing, Inc., ("ADS").

WHEREAS, Continental Telephone Company of the Northwest, Inc. and Mast Advertising & Publishing, Inc. entered into the Agreement executed August 15, 1985;

WHEREAS, Continental Telephone Company of the Northwest, Inc. changed its name to Contel of the Northwest, Inc., and was merged into GTE Northwest Incorporated, on February 26, 1993, ("Teleco");

WHEREAS, ADS has been publishing directories for Teleco pursuant to the Agreement;

WHEREAS, Teleco is the owner of the customer lists and data files related to the directories published for Teleco by ADS in connection with the Agreement; and

WHEREAS, the parties desire to amend the Agreement subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of mutual covenants made, the parties signing herein below do agree as follows:

1. Section 10. BASIS OF SETTLEMENT is amended to delete the sentences: "Except as otherwise provided in Section 2 hereof, for all amounts billed during the Initial Term of this agreement, Telephone Company will retain 35% of the gross advertising revenues from directory advertising. For all amounts billed during the Renewal Term of this agreement, Telephone Company will retain a percentage of gross advertising revenues from directory advertising equal to either (a) if the Weighted Average (as defined below) is more than 35%, the sum of (i) 35% and (ii) one-half of the difference between the Weighted Average and 35% (e.g., if the Weighted Average is 40%, the percentage of gross advertising revenues retained by Telephone Company shall be 37 ½%), or (b) if the Weighted Average is less than 35%, (i) 35% less (ii) one-half of the difference between 35% and the Weighted Average (e.g., if the Weighted Average is 25%, the percentage of gross advertising revenues retained by Telephone Company shall be 30%). The "Weighted Average" shall mean the percentage of gross advertising revenues for directory publishing paid by Southwestern Bell Publications, Inc. and its affiliates ("Publications") for the twelve-month period ending 180 days prior to the end of the Initial Term to all telephone companies other than those affiliated with Southwestern Bell Corporation and Continental Telecom Inc."

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Said deleted sentences are replaced as follows: "For all amounts billed during the remaining Initial Term and the Renewal Term of this Agreement, Telephone Company will retain gross advertising revenues from directory advertising as follows: Oregon, 47.13%; Washington, 46.37%."

This Amendment shall become effective on the first business day following January 1, 1996.

2. As consideration for agreeing to amend the Agreement, Teleco shall pay ADS the sum of four hundred fourty-three thousand six hundred thirty-nine dollars ($443,639) on the first business day following January 1, 1996 (the "Payment Date"). Teleco shall deliver said amount by wire transfer to an account designated by seller at least 24 hours before the Payment Date. If the consideration is not paid by the Payment Date, this Agreement and the Amendment described herein shall become null and void.

3. The parties agree that, except as provided in this Amendment, they will continue to perform their obligations under the Agreement in accordance with the Agreement and the past practices followed in connection with that Agreement. Each party agrees to act in good faith and will not act inconsistent with past practices so as to interfere with the ability of the other party to carry out its obligations under the Agreement.

Executed as of the day and year first written above.

Associated Directory Services Inc.	GTE Northwest Incorporated
By:	By:
Title: President	Title: Vice President

Mast Advertising & Publishing, Inc.
Telephone Directory Publishing Agreement
With Telephone Company Affiliates
of
Continental Telecom Inc.

THIS AGREEMENT is made in duplicate this 15th day of August, 1985, by and between CONTINENTAL TELEPHONE COMPANY OF THE NORTHWEST, INC., party of the first part, (hereinafter referred to as "Telephone Company"), and MAST ADVERTISING & PUBLISHING, INC., party of the second part (hereinafter referred to as "Directory Company").

WITNESSETH;

WHEREAS, Telephone Company and Directory Company are parties to a telephone directory publishing agreement (the "Existing Contract") under which Directory Company compiles, prints and sells advertising for telephone directories for exchanges of Telephone Company; and

WHEREAS, the parties hereto wish to assure the continuation of their relationship by entering into this agreement to become effective on the Effective Date as defined in Section 2 hereof;

NOW THEREFORE, in consideration of the covenants set forth hereunder, the parties hereto agree as follows:

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1. GENERAL

Telephone Company hereby grants to Directory Company the exclusive right to compile, print and sell advertising in all of the directories for exchanges of Telephone Company (unless excluded by mutual agreement in writing), including directories for exchanges which may be acquired in the future by Telephone Company, under the covenants, terms and conditions herein specified; provided, however, that if Telephone Company hereafter acquires any exchange that is subject to a then existing directory publishing contract, then this agreement shall not apply to such exchange until the expiration or earlier termination of the contract applicable to such exchange; and provided further that Telephone Company shall use its best efforts to terminate any such contract if it can do so without penalty to Telephone Company. If Telephone Company hereafter sells any exchange that is subject to this agreement, Telephone Company shall use its best efforts to persuade the purchaser of any such exchange to maintain this agreement with Directory Company, if Telephone Company can do so without penalty to Telephone Company. Directory Company hereby covenants and agrees to compile, print and sell advertising in the telephone directories of Telephone Company and to furnish such directories to Telephone Company under the covenants, terms and conditions herein specified.

2. DURATION OF AGREEMENT

The term of this agreement shall commence, as to each of Telephone Company's telephone exchanges, with the first directory published for such exchange after January 1, 1988 (the "Effective Date") and shall expire as to each such exchange upon the later of (i) the seventh anniversary of the Effective Date, or (ii) the publication of the seventh directory for such exchange pursuant to this agreement (the "Initial Term"); provided, however, that if Telephone Company acquires an additional exchange as provided in Section 1 above, then the term of this agreement for such additional exchange shall commence upon the expiration or earlier termination of the directory publishing contract applicable to such exchange and shall expire on the seventh anniversary of the Effective Date for the first exchange to be subject to this agreement. Notwithstanding the foregoing, if any directory published

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by Directory Company under the Existing Contract shall be in use or in process of sale or printing on the Effective Date, it is mutually agreed that all revenues generated from any sucn directories shall be allocated in accordance wih the provisions of the Existing Contract. Unless written notice is given by Directory Company to Telephone Company of an intention to terminate this agreement at least 180 days prior to the expiration of the Initial Term applicable to the first exchange to be subject to this agreement, this agreement shall be automatically renewed for one additional term (the "Renewal Term") commencing, as to each exchange, with the expiration of the Initial Term applicable to such exchange, and expiring, as to each such exchange, upon the later of (i) the fifth anniversary of the beginning of the Renewal Term applicable to such exchange or (ii) the publication of the fifth directory for such exchange pursuant to this agreement. Notwithstanding the foregoing, if any directory published by Directory Company during the Initial Term of this agreement shall be in use or in process of sale or printing on the Expiration Date of the Initial Term, it is mutually agreed that all revenues generated from any such directory shall be allocated in accordance with the provisions of this agreement.

3. DIRECTORY SCHEDULE

The first directory(ies) hereunder shall be published as mutually scheduled by the parties and thereafter at 12 month intervals in accordance with a Directory Schedule agreed to by the parties annually and attached as part of this contract.

4. SPECIFICATIONS AND ADVERTISING RATES

Telephone directories shall be issued in conformance with specifications determined by the parties. Each party agrees that any increased costs associated with changes to the agreed upon specifications shall be borne by the party requesting the change. Advertising items and rates (including payment arrangements) shall be in conformance with Directory Company's schedule, subject to the consent of the Telephone Company which will not be unreasonably withheld.

5. NUMBER OF TELEPHONE DIRECTORIES

Telephone Company shall specify the number of telephone directories needed based on actual previous use requirements and subsequent issue forecasts, such number to be determined by mutual agreement between parties and ordered at the time the Telephone Station Data (TSD) is submitted. If Telephone Company orders a number of directories in excess of the agreed distribution and reserve supply, Directory Company shall be reimbursed on a pro-rata basis for the added cost of additional directories.

6. DIRECTORY LISTING PROCEDURE

Telephone Company shall furnish Directory Company with legible copies of service orders, directory listing orders or a manuscript covering the insertion, change and removal of all alphabetical and classified listings in the directory(ies) depending upon the system of compilation agreed to by the parties. Telephone Company warrants that it will provide information required by Directory Company on a timely basis and in accordance with the Directory Schedule.

7. DELIVERY PROCEDURE

Directory Company shall arrange for directories to be distributed direct to Telephone Company subscribers or as otherwise mutually agreed. The Telephone Company agrees to provide the information necessary to make deliveries (e.g., lists, etc.).

8. GUARANTEES

Directory Company hereby warrants that the directories published hereunder shall be in full conformity with all provisions of this agreement. Each party agrees to indemnify and hold harmless the other party from all losses, expenses, claims, actions, damages or liabilities resulting from (i) the failure of such party to conform to the provisions of this agreement except where such failure is beyond the control of such party or (ii) any act or omission of such party with respect to a third party. If any claim for indemnification hereunder is based upon an action or claim filed or made against a party to this agreement by a third party, then the party seeking indemnification shall provide prompt notice of such action or claim to the other party and the other party shall have the right to negotiate a settlement or compromise of such action or claim or to defend such action or claim at its sole cost and expense; provided, however, that the party against whom such action or claim is filed shall have the right to approve any such settlement or compromise and to participate in any such defense, but such party shall not unreasonably withhold its approval of any such settlement or compromise.

9. BILLING, COLLECTING AND CREDIT PROCEDURE

(a) Customer applications for directory advertising shall be entered into in the name of Telephone Company on a contract form, and a billing copy shall be furnished to Telephone Company. Telephone Company agrees to bill and collect monthly with its telephone statements for all local subscribers' directory advertising. For each issue, Directory Company shall furnish Telephone Company with a list of the accounts for which local advertising charges are to be billed.

(b) Telephone Company shall furnish Directory Company with a list of the local directory advertising adjustments prior to settlement, as provided for in paragraph 10 below (unless otherwise agreed). The compensation to Telephone Company shall be reduced by the same percentage of the amount of the adjustments as Telephone Company received of the directory advertising revenue. Directory Company shall furnish Telephone Company with a list of foreign directory advertising adjustments prior to final settlement.

(c) Uncollectible accounts receivable shall be allocated in the following manner between Telephone Company and Directory Company:

(i) Where the failure to pay an account is due to disconnection without continuation of service, the customer's business failure, bankruptcy, insolvency or inability to pay debts as they become due, such uncollectible item shall be absorbed by both Telephone Company and Directory Company in accordance with their respective percentages of gross advertising revenues under Section 10.

(ii) Where the failure to pay an account is due to customer dissatisfaction, and the cause of the dissatisfaction is clearly attributable to one party, the amount of such uncollectible item shall be absorbed by the party whose act or omission caused such customer dissatisfaction. Otherwise, such uncollectible item shall be absorbed by both Telephone Company and Directory Company in accordance with their respective percentages of gross advertising revenues under Section 10.

(d) Telephone Company shall have the right to reject advertising contracts if subscriber's credit is questionable as mutually agreed by parties. Advertising is not to be sold to residential telephone subscribers.

(e) During the term of this agreement, Telephone Company may license the use of its listing data base to other directory publishers, provided, however, that Telephone Company shall establish a price for such data sufficient to permit Telephone Company to recover its full cost in providing same, including any payments to Directory Company in connection therewith. Telephone Company may license the use of its listing data base to persons other than directory publishers upon any terms it pleases, so long as such license does not violate Directory Company's exclusive rights as set forth in Section 1. During the term of this agreement, Directory Company shall have the exclusive rights to the contract (advertising) data base and Telephone Company will not sell the contract data base or any part thereof and will not use such information for any purpose other than to fulfill its obligations under this Agreement.

10. BASIS OF SETTLEMENT

Directory Company shall absorb all expenses incident to compiling and selling the directory. Print and distribution expenses will be allocated as shown under the "Remarks" section of this agreement. Telephone Company shall receive the percentage of each month's directory advertising billing as set forth in the following paragraph. Monthly settlements shall be based on the difference between local billing revenues and foreign/net NYPS revenues with settlements either billed to or remitted to Telephone Company.

Except as otherwise provided in Section 2 hereof, for all amounts billed during the Initial Term of this agreement, Telephone Company will retain 35% of the gross advertising revenues from directory advertising. For all amounts billed during the Renewal Term of this agreement, Telephone Company will retain a percentage of gross advertising revenues from directory advertising equal to either (a) if the Weighted Average (as defined below) is more than 35%, the sum of (i) 35% and (ii) one-half of the difference between the Weighted Average and 35% (e.g., if the Weighted Average is 40%, the percentage of gross advertising revenues retained by Telephone Company shall be 37 1/2%), or (b) if the Weighted Average is less than 35%, (i) 35% less (ii) one-half of the difference between 35% and the Weighted Average (e.g., if the Weighted Average is 25%, the percentage of gross advertising revenues retained by Telephone Company shall be 30%). The "Weighted Average" shall mean the percentage of gross advertising revenues for directory publishing paid by Southwestern Bell Publications, Inc. and its affiliates ("Publications") for the twelve-month period ending 180 days prior to the end of the Initial Term to all telephone companies other than those affiliated with Southwestern Bell Corporation and Continental Telecom Inc.

In the event advertising is placed in Telephone Company's directories upon which an advertising agency's commission is allowed, or if a selling commission is paid to any recognized publisher for the sale of foreign advertising in said directories, or non-recurring charges for subscriber artwork are required, it is mutually agreed that the figure for directory advertising billing on which the percentage paid to Telephone Company is based shall be the net figure after the payment of such commissions or charges.

Telephone Company shall pay Directory Company for any abnormal or unusual expenses incident to the publishing of any directories necessary to meet the requirements of Telephone Company, including but not limited to special artwork, color combinations, special paper stock other than standard stock, directory covers, extended area service listings, courtesy listings, civic sections, licensing fees, copyright charges, additional customer listing masters (CLM), traffic records, directories not regularly scheduled, directories issued incident to plant cutovers, and directory reset due to complete number changes and/or address changes. If an additional printing of a directory issue is required supplementary to the initial printing for any reason other than an additional printing caused by Directory Company, Telephone Company shall pay Directory Company the actual cost of handling and printing the additional copies. Such costs shall include printing, compilation and distributing expenses.

Directory Company shall issue monthly to Telephone Company the Directory Settlement Form and Telephone Company shall remit to Directory Company the amounts thus billed within thirty (30) days after receipt of such statement (unless otherwise agreed in writing) in good funds that day.

The terms and provisions of this agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

11. REMARKS

11A. Directory Company will provide billing service for all foreign and national advertising accounts.

11B. Directory Company will maintain the alphabetical manuscripts via service order activity provided by Telephone Company.

11C. Directory Company will provide each Continental Region with a minimum of three cover recommendations for a regional directory cover. Any one of the recommended covers may be used for the region's directories at no additional charge to Telephone Company. Custom covers for individual divisions or directories may result in a charge back to Telephone Company. Limited run directory covers will be charged for on a volume sensitive basis.

11D. Directory Company will, with Telephone Company's agreement and utilizing the best method available, either mail the directories to each of Telephone Company's primary local subscribers utilizing the appropriate labels provided by Telephone Company or hand distribute Telephone Company's directories. Mailing or hand distribution costs are to be billed back to Telephone Company. Both bulk shipments for manual distribution and copies for Telephone Company's reserve supply will be shipped to Telephone Company at Directory Company's expense.

11E. Directory Company will maintain the responsibility of providing Directory Distribution/Product Development library requirements.

11F. Directory Company will secure existing and future EAS/courtesy listings required for subsequent publications of Telephone Company's directories with the cost of such listings, licensing agreements and publishing fees billed back to Telephone Company. All other normal printing charges are to be absorbed by Directory Company.

12. MISCELLANEOUS

12A. The parties agree that they will comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal and state laws, rule and regulations, and codes, including the procurement of permits and certificates where needed.

The parties further agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or handicap and shall during the performance of this agreement comply with all applicable federal and state laws and regulations on this subject.

12B. Each party has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations; each party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters; and each party will be responsible for its own acts and those of its own subordinates, employees, agents and subcontractors during the performance of that party's obligations hereunder.

12C. Neither party shall be held liable for any delay or failure in performance of any part of this agreement caused by fires, strikes, embargoes, explosions, power blackouts, earthquakes, volcanic action, floods, wars, water, the elements, labor disputes, civil disturbances, government requirements, civil or military authorities, acts of God or public enemy, inability to secure raw materials, inability to secure product of manufacturers or outside vendors, transportation facilities, acts or omissions of carriers or other causes beyond its control, whether or not similar to the foregoing conditions. If any such force majeure condition occurs, the party whose performance fails or is delayed because of such force majeure condition shall give immediate notice to the other party.

12D. If any term, condition or provision of this agreement shall be invalid or non-enforceable, such invalidity or non-enforceability shall not invalidate or render unenforceable any other term, condition or provision of this agreement and this agreement shall be construed as if it did not contain the particular invalid or unenforceable provision or provisions, and the rights and obligations of each party shall be construed and enforced accordingly.

12E. Telephone Company shall provide to Directory Company such local market and other information as Directory Company may request to aid in the setting of advertising rates.

12F. Directory Company and its affiliate Southwestern Bell Publications, Inc. shall have the nonexclusive right to use Telephone Company's supplied lists and data for the following purposes:

(a) For the purpose of assembling classified business lists;

(b) For use in canvassing potential advertising customers;

(c) For use in distribution of Silver Pages; and

(d) For any other business purpose on which the parties shall mutually agree in writing.

12G. The Directory Company has the right to identify itself, and its affiliates, as the Telephone Company's sales agent, within the pages of each directory.

12H. Both parties agree to protect whatever proprietary and intellectual information as becomes available to them through normal business transactions.

12I. Directory Company has the right to assign its rights and obligations hereunder to Southwestern Bell Publications, Inc., or any of its directly or indirectly owned subsidiaries.

12J. Each party shall treat all information received by such party from the other party hereto pursuant to this agreement, unless such information is in the public domain, as confidential, exercising the same degree of care with respect thereto as is exercised with respect to such party's own confidential information.

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IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate by their respective representatives, thereunto duly authorized the day and year first above written, each party hereto acknowledging receipt of a signed copy.

MAST ADVERTISING & PUBLISHING, INC.	CONTINENTAL TELEPHONE COMPANY OF THE NORTHWEST, INC.
By:	By: John B. Fugate
Title: PRESIDENT	Title: Vice President-Taxes
Date: MARCH 12, 1986	Date:

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EXHIBIT D

If contract or arrangement is for the purchase, sale, lease or exchange of any property, show hereunder:

1. A general description of the property to be purchased, sold or exchanged.

GTE Northwest and GTE Directories have entered into an agreement whereby the GTE Directories compiles, prints and sells advertising for telephone directories for exchanges of GTE Northwest. GTE Northwest retains a set portion of the advertising revenues received from the directory publication, with the balance going to the directories company. The amendment in this Application involves a one-time payment by GTE Northwest to GTE Directories to bring up the retention rate equation to match the retention rate that the parties have in their master agreement, which has been previously approved by this Commission. The Washington portion of this one-time charge is $403,949.00.

2. The basis to be used in making charges against Applicant and reflecting of liabilities by Applicant in connection with this contract.

The one-time charge set forth in Answer D.1 was developed by taking the difference between the revised retention rate and former retention rate and applying this difference to the base revenues.

3. The reasons why Applicant desires to enter into the proposed contract or arrangement.

The original publishing contract was between Associated Directory Services Inc. (formerly Mast Advertising & Publishing, Inc.) and Continental Telephone Company of the Northwest, Inc. Subsequently, Continental Telephone Company was merged into GTE Northwest. Ultimately, GTE Directories bought the rights for publication for the directory from the parent of Associated Directory Services Inc. This business decision was made, as analysis concluded that significant synergies could be achieved by managing the publishing of telephone directories with one publisher instead of two publishers. These synergies would include consistency in sales approach, printing and publication, rates, overall quality, and improving the management of this business. The synergies would be a benefit to GTE Northwest, as well as its customers.

4. Attach a certified copy of the relevant portions of the minutes of all meetings of the directors and stockholders.

Not applicable.

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TE Telephone Operations
Washington Utilities and Transportation Commission
Directory Retention Rates
ADS Contract Filing

Docket No. UT-960709

Question:
Please provide the calculation used to develop the revised retention rate for the ADS Publishing Contract.

Response:
The revised retention rate was calculated based on 1994 data. See below.

Franchise Revenue	Non-franchise Revenue	Total	GTOC Retention Rate	GTOC Revenue Share	Effective Ret. rate based on total rev.	CTOC Initial Dist. Exp.	CTOC Total 94 Ad Revenue	Additional increase in Ret. rate	New effective retention rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		[(1) + (2)]	[per MPA]	[(1) * (4)]	[(5) / (3)]			[(7) / (8)]	[(6) + (9)]
39,810,063	14,438,526	54,248,589	63.09%	25,116,169	46.30%	2,378	3,451,047	0.07%	46.37%