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PUBLIC SERVICE  
COMMISSION

January 22, 2007

**VIA HAND DELIVERY**

Hon. Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
P. O. Box 615  
Frankfort, KY 40601

**Re: *Kentucky Public Service Commission Case Nos.***

**1) 2006-00215; 2) 2006-00217; 3) 2006-00218; 4) 2006-00220;  
5) 2006-00252; 6) 2006-00255; 7) 2006-00288; 8) 2006-00292;  
9) 2006-00294; 10) 2006-00296; 11) 2006-00298; 12) 2006-00300**

Dear Ms. O'Donnell:

I have enclosed for filing in the above-styled cases the original and eleven (11) copies of the parties' proposed template interconnection agreement ("Agreement"). Please file-stamp one copy of the Agreement, and return it to our delivery person.

The RLECs note that, while the parties' extensive negotiations regarding the language of the attached Agreement have resulted in a significant mitigation of any remaining disputes, isolated sections of the Agreement remain in dispute by the CMRS Providers.<sup>1</sup> Those few remaining disputed sections are as follows:

- Sections 4.1.2 through 4.1.4 ("Methods of Interconnection");
- Section 4.4 ("Dialing Parity");
- Section 5.2 ("Rate Structure");
- Section 5.5 ("Billing") and all subparts other than section 5.5.4 ("Audits"); and

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<sup>1</sup>As a consequence of this remaining dispute, and in order to help conserve Commission resources, the RLECs are filing only a "template" agreement at this time, rather than the forty-five separate agreements (and ten copies of each) that might ordinarily be filed. As soon as the remaining language disputes are resolved, the RLECs anticipate filing individual agreements between each RLEC and each CMRS Provider that was a party to the RLECs' arbitration petitions.

- Paragraph 2 of Appendix A ("Designation of Interconnection Point(s)").

In order to facilitate review of the parties' respective language proposals for these few remaining disputes, the RLECs have identified their proposed language in ***bold italics*** and identified the CMRS Providers proposed language in **bold double-underline**.

The RLECs further note that, as a result of the parties' efforts to negotiate a conforming Agreement, the CMRS Providers' specific disputes with respect to the above-identified sections of the Agreement have changed slightly since the parties began negotiations to implement the Order. As a result, the RLECs received the CMRS Providers' final language proposals for these disputed sections only today, making specific comment on the inappropriateness of that language impossible. For this reason, the RLECs expressly reserve the right to, upon review and consideration, file additional comments regarding the CMRS Providers' proposed alternate language.

Notwithstanding this, from a conceptual level, the course of the parties' negotiations to date suggest that the CMRS Providers' dispute with the language in the attached, conforming Agreement arises almost exclusively from the CMRS Providers' belief that the Commission has ruled incorrectly on several important issues. The RLEC-proposed language, conversely, implements the Order's mandates, and for this reason (as further explained below), the RLECs request that the Commission resolve the few remaining disputed sections as proposed by the RLECs.

For example, despite the clarity of the Order, the CMRS Providers' motion for rehearing suggests that the Commission was wrong to conclude that an RLEC's financial responsibility is circumscribed by the boundaries of its network. (Order at 12.) (The CMRS Providers suggest that this point needs "clarification.") Rather than implement an agreement that incorporates this principle, the CMRS Providers have insisted on language that obligates the RLECs to pay for: (i) the cost of facilities outside the RLEC network; and (ii) the cost of transit services provided outside the RLEC network. The RLEC-proposed language in the Agreement implements the Commission's Order that the RLECs' financial responsibilities are circumscribed by the boundaries of its network, and it should be accepted.

Similarly, despite the clarity of the Order, the CMRS Providers have claimed that the Order requires not the use of the measurement methodology for developing traffic factors (*see* Order at 18), but the use of the actual traffic factors they had proposed. Given that the traffic factors they had proposed during the hearing rested upon an implicit (yet rejected) assumption that intraMTA toll traffic should be considered "Subject Traffic" under the Agreement, those factors simply cannot be accurate. The RLEC-proposed language in the Agreement recognizes this fact by ensuring that traffic factors can be used for billing purposes, provided those factors are based upon accurate measurement. The CMRS Providers never disputed (in fact, they supported) that traffic factors should be developed based on accurate traffic measurement, when possible, and the language in the attached Agreement implements that concept. It should, therefore, be accepted.

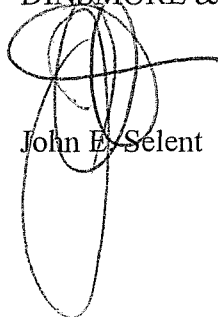
And finally, the CMRS Providers have claimed that the RLEC-proposed "dialing parity" language somehow does not implement the Commission's order that the RLECs provide dialing and rating parity for CMRS Provider end-user numbers rated to NPA-NXX's that are local to the RLECs' calling areas. The RLEC language implements this requirement almost verbatim, and yet, the CMRS Providers have (to date) insisted upon language that would prohibit the RLECs from imposing any charges on calls to CMRS Provider end-users with locally rated NPA-NXX's. This concept goes far beyond the concept of dialing parity and enters the broader realm of local call rating restrictions, an issue that was never a part of this arbitration proceeding. The RLEC-proposed language ensures that dialing parity will apply, and that is what the Commission ordered. The fact that the CMRS Providers have refused to accept this language is proof, itself, that they hope to bootstrap the Order into additional obligations that were neither considered nor approved. Accordingly, the RLECs' language regarding dialing parity should be accepted.

As previously noted, given the last-minute receipt of the CMRS Providers' proposed contract language for the above-referenced, disputed sections, these comments are as specific as the present circumstances allow. Upon review and consideration of any alternate language proposed by the CMRS Providers, the RLECs may file additional comments setting forth the specific reasons why the RLEC-proposed language in the Agreement more accurately implements the mandates of the Order than the language the CMRS Providers have proposed.

Thank you, and if you have any questions, please call me.

Very truly yours,

DINSMORE & SHOHL LLP



John E. Selent

JES/mbt  
Enclosures

cc: John N. Hughes, Esq.  
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2006-215

[RLEC Conformed ICA]

INTERCONNECTION AGREEMENT FOR TRANSPORT  
AND  
TERMINATION OF TRAFFIC  
("CMRS-LEC AGREEMENT")

Between

ABC Telephone Company, Inc.

and

DEF CMRS Provider

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## Table of Contents

### INTRODUCTION

### RECITALS

- 1.0 Definitions
- 2.0 Interpretation and Construction
- 3.0 Scope
- 4.0 Service Agreement
  - 4.1 Methods of Interconnection
  - 4.2 Service Arrangement
  - 4.3 Signaling
  - 4.4 Dialing Parity
- 5.0 Compensation Arrangements
  - 5.1 Subject Traffic
  - 5.2 Rate Structure
  - 5.3 Non-Recurring Charges
  - 5.4 Inter-MTA Traffic
  - 5.5 Billing
- 6.0 Notice of Changes
- 7.0 General Responsibilities of the Parties
- 8.0 Effective Date, Term, and Termination
- 9.0 [LEFT BLANK]
- 10.0 Indemnification
- 11.0 Limitation of Liability
- 12.0 Compliance with Laws and Regulations
- 13.0 Disclaimer of Representations and Warranties
- 14.0 Miscellaneous
  - 14.1 Authorization
  - 14.2 Disclaimer of Agency; No Third Party Beneficiaries; Independent Contractor
  - 14.3 Force Majeure
  - 14.4 Treatment of Proprietary and Confidential Information
  - 14.5 Choice of Law
  - 14.6 Taxes
  - 14.7 Assignability
  - 14.8 Billing and Payment; Disputed Amounts
  - 14.9 Dispute Resolutions
  - 14.10 Notices
  - 14.11 Joint Work Product
  - 14.12 No License
  - 14.13 Survival
  - 14.14 Entire Agreement
  - 14.15 Non-Waiver
  - 14.16 Publicity and Use of Trademarks or Service Marks
  - 14.17 Severability
  - 14.18 Counterparts
  - 14.19 Modification, Amendment, Supplement, or Waiver
  - 14.20 Change in Law

### APPENDIX A

### APPENDIX B

INTERCONNECTION AGREEMENT FOR TRANSPORT AND TERMINATION OF TRAFFIC  
("CMRS-LEC AGREEMENT")

Pursuant to this CMRS-LEC Agreement, ABC Telephone Company, Inc. ("LEC") and DEF CMRS Provider ("CMRS Provider") will extend certain network arrangements to one another as specified below.

Recitals

WHEREAS, CMRS Provider is a Commercial Mobile Radio Services ("CMRS") provider licensed by the Federal Communications Commission ("FCC") to provide CMRS; and

WHEREAS, LEC is a Local Exchange Carrier ("LEC") providing telecommunications services in the Commonwealth of Kentucky; and

WHEREAS, the Parties desire to interconnect their respective CMRS and LEC network facilities pursuant to Sections 251/252 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 for the purpose of delivery of specific traffic for transport and termination on the other Party's network; and

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations and the terms and conditions under which they will interconnect their networks and provide services as set forth herein.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEC and CMRS Provider hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. Any term used in this Agreement that is not specifically defined shall have the meaning ascribed to such term in the Communications Act of 1934, as amended. If no specific meaning exists for a specific term used in this Agreement, then normal usage in the telecommunications industry shall apply.

1.1 "Act" means the Communications Act of 1934, as amended.

1.2 "Affiliate" is As Defined in the Act.

1.3 "Agreement" means this Interconnection Agreement for Transport and Termination of Traffic ("CMRS-LEC Agreement"), together with all appendices, exhibits, schedules, and other attachments hereto.

1.4 "Central Office Switch" means a switch used by LECs to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switches" which are used to terminate lines from individual stations for the purpose of interconnection to each other and to trunks; and

(b) "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.5 "Commercial Mobile Radio Service" or "CMRS" means Commercial Mobile Radio Service as defined in Part 20 of the FCC's Rules.

1.6 "Commission" means the Kentucky Public Service Commission.

1.7 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis and, unless otherwise agreed by the Parties, the CCIS used by the Parties shall be Signaling System Seven ("SS7").

1.8 "DS1" is a digital signal rate of 1.544 Mbps (MEGA Bits Per Second).

1.9 "DS3" is a digital signal rate of 44.736 Mbps.

1.10 "FCC" means the Federal Communications Commission.

1.11 "Information Service" is as defined in the Act.

1.12 "Interconnection" for purposes of this Agreement refers to the direct or indirect linking of the CMRS Provider and LEC networks at the Interconnection Point for the delivery of traffic pursuant to the terms and conditions of this Agreement.

1.13 "Interconnection Point" or "IP" is a demarcation point on the incumbent network of LEC.

1.14 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.15 "Inter-MTA Traffic" is traffic, that at the beginning of the call, is originated by an end user of one Party in one MTA and is terminated to an end user of the other Party in another MTA.

1.16 "Local Exchange Carrier" or "LEC" is as defined in the Act.

1.17 "Major Trading Area" or "MTA" means Major Trading Area as defined in Section 24.202(a) of the FCC's rules.

1.18 [LEFT BLANK]

1.19 "NXX" means a three-digit code valid within an area code which appears as the first three digits of a seven-digit telephone number with the exception of the special 500, 600, 700, 800, and 900 codes and other similar special codes that may come into common usage in the future.

1.20 "Party" means either LEC or CMRS Provider, and "Parties" means LEC and CMRS Provider.

1.21 "Rate Center" means the specific geographic point ("Vertical and Horizontal" or "V & H" coordinates) and corresponding geographic area which are associated with one or more particular NPA-NXX codes which have been assigned to a LEC for its provision of basic exchange telecommunications services. The "rate center point" is the finite geographic point



identified by a specific V & H coordinate which is used to measure distance-sensitive end user traffic to/from the particular NPA-NXX designations associated with the specific Rate Center. The "rate center area" is the exclusive geographic area identified as the area within which the LEC provides basic exchange telecommunications service bearing the particular NPA-NXX designations associated with the specific Rate Center. The use by a CMRS provider of a Rate Center V & H for mobile CMRS services does not necessarily indicate the location of the CMRS mobile user.

1.22 "Subject Traffic," as defined in 47 C.F.R. § 51.701(b)(2), is traffic exchanged between LEC and CMRS Provider that, at the beginning of the call, originates and terminates within the same Major Trading Area. The definition and use of the term "Subject Traffic" for purposes of calculating reciprocal compensation that may be due under this Agreement has no effect on the definition of local traffic or the geographic area associated with local calling under either Party's respective end user service offerings.

1.23 "Telecommunications" is as defined in the Act.

1.24 "Telecommunications Carrier" is as defined in the Act.

1.25 "Termination" is as defined by FCC Regulations.

1.26 "Transport" is as defined by FCC Regulations.

## 2.0 INTERPRETATION AND CONSTRUCTION

2.1 All references to Sections, Exhibits, Appendices, and Schedules shall be deemed to be references to Sections of, and Exhibits, Appendices, and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms are inserted for convenience of references only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including CMRS Provider's, LEC's or other third party offerings, guides or practices), statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

2.2 The Parties acknowledge that some of the services, facilities, or arrangements described herein reference the terms of federal or state tariffs of the Parties. If any provision contained in this main body of the Agreement and any Appendix hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of this Agreement shall prevail. If any provision of this Agreement and an applicable tariff cannot be reasonably construed or interpreted to avoid conflict, the Parties agree that the provision contained in this Agreement shall prevail. This agreement supersedes any prior agreement between the Parties.

2.3 The Parties acknowledge that this Agreement represents their good faith efforts to implement the arbitration order(s) of the Commission in Case No. 2006-[insert specific case #]. Accordingly, the Parties acknowledge that certain portions of this Agreement, including but not limited to the reciprocal compensation rates to be set forth in Appendix B, may be subject to modification at a later date, consistent with applicable Commission or court orders.

### 3.0 SCOPE

3.1 This Agreement sets forth the terms, conditions and prices under which the Parties agree to exchange Subject Traffic and Inter-MTA Traffic.

3.2 Subject Traffic does not include land-to-mobile toll calls that are dialed as 1+ calls and are carried by an IXC or any other toll provider. CMRS Provider will not designate, in industry routing databases, any of its NPA-NXX codes used for its services to CMRS end-users as subtending any LEC tandem for terminating interexchange carrier traffic purposes unless and until LEC has agreed to such arrangement and the Parties have mutually agreed, in writing, upon terms and conditions for such arrangements for terminating interexchange carrier traffic. Regardless, in no event shall LEC have any compensation responsibility to CMRS Provider for any interexchange carrier traffic that may terminate to CMRS Provider. All traffic that LEC originates to, or terminates from, an interexchange carrier will be subject to access charges to be retained by LEC. There will be no sharing of access charge revenue that LEC bills either interexchange carriers or any other carriers that obtain access services from LEC. There will be no access services provided jointly between the Parties pursuant to this Agreement.

3.3 Compensation for the Transport and Termination of Subject Traffic does not apply to land-to-mobile traffic toll calls that are dialed as 1+ calls and are carried by an IXC or any other toll provider, or for non-CMRS traffic. Neither Party shall provide an intermediary or transit traffic function for the other Party's connection of its end users to the end users of a third party telecommunications carrier without the consent of all parties and without the establishment of mutually agreeable terms and conditions governing the provision of the intermediary functions. This Agreement does not obligate either Party to utilize any intermediary or transit traffic function of the other Party or of any third party.

3.4 This Agreement shall not be used by either Party to deliver any other traffic not specifically allowed under this Agreement in this Section 3.0. It will constitute a default of this Agreement for a Party to deliver any traffic other than the traffic that is within the scope of this Agreement as specifically identified in this Section 3.0.

### 4.0 SERVICE AGREEMENT

#### 4.1 Methods of Interconnection.

4.1.1 The Parties agree to interconnect within the incumbent LEC network of LEC at one or more suitable and technically feasible Interconnection Points consistent with the options set forth in this Section 4.1. Interconnection will be provided for switching through an appropriate LEC switching office. The IP(s) will be set forth in Appendix A.

#### **RLEC Proposed 4.1.2:**

***4.1.2 Indirect Interconnection. Subject to the conditions set forth in this section 4.1, CMRS Provider shall be permitted to use a third party carrier's facilities for purposes of establishing interconnection indirectly with LEC at the IP(s) and the exchange of traffic that is within the scope of this Agreement between the Parties. The use of a third party carrier by CMRS Provider for such purposes is expressly conditioned on CMRS Provider ensuring that the third party carrier delivers CMRS Provider's traffic to LEC at no charge to LEC, and in such a manner that includes complete and accurate industry standard call records (EMI 11-0101 records) that allow for LEC to independently***

*and adequately measure and identify the type, volume, jurisdiction, and originating carrier of such traffic. If CMRS Provider's traffic is not delivered to LEC in such a manner and with such records, CMRS Provider shall be required to establish dedicated trunks with LEC pursuant to the notice and implementation process described in Section 4.1.3 (just as though the threshold established in Section 4.1.3 had been met), and CMRS Provider shall (consistent with the terms of Section 4.1.5) discontinue delivering any traffic via such third-party carrier. CMRS Provider shall be responsible for the payment to any third party carrier for any charges associated with the Indirect Interconnection scenario contemplated herein and with any functions provided by the third party that allows for the exchange of traffic between the Parties as contemplated herein.*

**CMRS Proposed 4.1.2:**

**4.1.2 Indirect Interconnection. All Subject Traffic not exchanged via direct interconnection shall be exchanged indirectly through one or more third party networks that is directly interconnected with LEC's network at an IP. Traffic exchanged indirectly will be subject to the compensation stated in Appendix B. Each Party shall be responsible for (a) all transit charges, if any, generated by calls originated on its network, and (b) all costs of the facilities linking its own switch(es) to the third party's network.**

**RLEC Proposed 4.1.3:**

*4.1.3 The Indirect Interconnection arrangement described in section 4.1.2, above, shall only be available to CMRS Provider so long as: (i) the total volume of traffic exchanged (pursuant to the terms of this Agreement) between CMRS Provider and LEC does not exceed the reasonable operating capacity of a DS1; and (ii) the intermediary third-party carrier provides LEC with adequate verification, as described in Section 4.1.2, of the jurisdictional nature and rating of calls transited through the third-party carrier. For purposes of establishing the reasonable operating capacity threshold, if the total monthly volume of traffic exchanged between the Parties exceeds 216,000 minutes of usage for three (3) consecutive months a dedicated trunk group shall be required for the exchange of traffic pursuant to this Agreement, and such trunk group shall be established pursuant to the terms and conditions set forth in Section 4.1.4, below.*

**CMRS Proposed 4.1.3:**

**4.1.3 The Parties will establish dedicated interconnection facilities if the transit carrier used by the Parties does not provide information that would allow accurate bills to be issued, and the use of dedicated facilities would provide additional jurisdictional and rating information. As of the effective date of this Agreement, LEC is receiving traffic on common trunks and is receiving information from the transit provider that allows it to render accurate bills. Any dispute regarding the need for dedicated connections shall be resolved by the Commission pursuant to the Dispute Resolution provision of this Agreement. This subsection does not apply if Subject Traffic between the Parties is less than the capacity of a DS1. In addition to the foregoing, the Parties will establish dedicated interconnection facilities when Subject Traffic between them exceeds a DS1 level.**

**RLEC Proposed 4.1.4:**

*4.1.4 Direct Interconnection. When the total monthly volume of traffic being exchanged meets the threshold set forth in section 4.1.3, above, either Party may provide written notification to the other Party that a dedicated trunk group(s) is required,*

*and the Parties agree to establish such a dedicated trunk group(s) for connection at the IP(s) as follows: (i) within thirty (30) days of either Party receiving notification, CMRS Provider shall either (a) order dedicated interconnection trunks from any carrier that may connect with LEC at the IP(s), or (b) establish physical network interconnection directly at the IP(s); (ii) where two-way trunk groups are established to exchange traffic that is the subject of this Agreement, the Parties will coordinate the provisioning and quantity of trunks; and (iii) both Parties shall provide commercially reasonable resources to support normal installation intervals for the dedicated interconnection trunks. The Parties may interconnect the dedicated facilities on either a one-way or two-way trunk basis. At the request of CMRS provider, LEC will provide for two-way trunking for the dedicated facilities. In no case shall LEC be responsible for any facilities outside of its incumbent LEC service area. Consistent with Section 5.2, for two-way facilities, LEC shall provide the two-way trunking within its service area and shall charge CMRS Provider at intrastate special access rates for such facilities connecting from the IP(s) to the LEC tandem, and such charges shall be reduced to reflect the portion of Subject Traffic originated by LEC to total two-way usage. For one-way facilities, LEC shall be responsible for the one-way facilities to meet CMRS Provider at the IP(s) within the incumbent service area of LEC for one-way trunks used for originating LEC traffic, and CMRS Provider shall be responsible for the one-way facilities to the LEC tandem for the one-way trunks used for originating CMRS Provider traffic.*

**CMRS Proposed 4.1.4:**

**4.1.4 Direct Interconnection**

**4.1.4.1 Either Party may elect to provision one-way direct interconnection facilities for the delivery of its originated traffic to the terminating Party's network. In that event, the originating Party will be responsible for 100% of the recurring and non-recurring costs associated with those facilities.**

**4.1.4.2 At CMRS Provider's request, the Parties will provide two-way direct interconnection facilities between their networks with each Party being responsible for the recurring and non-recurring facility costs based upon each Party's respective proportionate use of the facilities used to deliver traffic originated on that Party's networks. In the absence of actual measured traffic, the traffic factors provided for in Appendix A will be used to determine each Party's proportionate use of the facilities for these purposes. Each Party's direct interconnection facilities shall be physically connected with the other's on LEC's network.**

**4.1.4.3 To the extent that the LEC provisions all, or part, of the two-way facilities, the facilities cost will be based on LEC's effective intrastate access tariff for connecting facilities. The CMRS Provider will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.**

**4.1.4.4 To the extent the CMRS Provider provisions all or part of those facilities, the facilities costs will be based on the actual rates charged by or to the CMRS Provider. The LEC will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.**

4.1.5 Neither Party shall deliver third-party traffic over a dedicated facility established pursuant to this section.

4.2 Service Arrangement. This Agreement provides for the following arrangements

between the Parties for the purpose of delivery by one Party of specific traffic for Transport and Termination on the other Party's network.

4.2.1 The service arrangement involves trunk side connection for switching through a LEC switching office. This Agreement does not apply to, and the trunk service arrangement cannot be used for traffic originated or terminated on third party networks.

4.2.1.1 For traffic terminating on LEC, the trunk service arrangement may be used by CMRS Provider to deliver traffic only for termination to valid NXX codes associated with LEC end offices that subtend the specific tandem office to which the trunk interconnection is made.

4.2.1.2 Based on the specific LEC local service area of the originating LEC end user, the trunk service arrangement may be used by LEC to deliver traffic only to designated NPA-NXXs of CMRS Provider for which the associated rate center (as determined by V&H coordinates) is within the specific LEC local service area of the originating LEC end user.

4.2.1.3 The delivery of traffic pursuant to Subsections 4.2.1.1 and 4.2.1.2 does not create legal or regulatory obligations for either Party that do not otherwise apply pursuant to applicable law.

#### 4.3 Signaling.

4.3.1 When direct interconnection trunks are established, SS7 connectivity will be provided, and all SS7 signaling parameters shall be delivered, in accordance with prevailing industry standards. The Parties agree to cooperate on the exchange of all appropriate SS7 messages for originating carrier identification, local call set-up, including ISDN User Part ("ISUP") and Transaction Capability User Part ("TCAP") messages to facilitate full interoperability of all CLASS features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as database queries) will be jointly negotiated and agreed upon. Each Party will honor all Privacy Indicators as required under applicable law. CMRS Provider must interconnect, directly or indirectly, with the LEC's Signal Transfer Points ("STPs") serving the area in which Subject Traffic and Inter-MTA Traffic will be exchanged. CMRS Provider may choose a third-party SS7 signaling provider to transport signaling messages to and from LEC's SS7 network.

4.3.2 For indirect interconnection, each party shall populate all SS7 message fields in accordance with industry standards.

4.3.3 For purposes of exchanging SS7 messages with respect to the traffic that is within the scope of this Agreement, neither Party shall assess SS7 message charges or tariffed SS7 charges on the other Party. Any use by either Party of the other Party's SS7 network or SS7 service functionality, beyond the simple sending of SS7 messages as set forth in this Section 4.3, is outside the scope of this interconnection agreement.

#### **RLEC Proposed 4.4:**

**4.4 Dialing Parity. The Parties shall comply with Local Dialing Parity and Toll Dialing Parity as required by applicable law. When a CMRS Provider end-user has a telephone number that is assigned (as recorded in the Local Exchange Routing Guide) to a ratecenter within the non-optional local calling area of LEC's originating end-user, LEC shall provide local dialing and rating parity for calls originated by its end-user(s) to such**

telephone number(s) of CMRS Provider end-user(s).

**CMRS Proposed 4.4:**

**4.4 Dialing Parity. LEC will ensure that its customers can make calls to CMRS Providers' customers' numbers in local and EAS exchanges without dialing extra digits or paying extra charges.**

5.0 COMPENSATION ARRANGEMENTS

5.1 Subject Traffic. Each Party shall pay the other Party for Transport and Termination of Subject Traffic that either Party delivers to the other Party's network pursuant to the provisions of this Agreement. The Parties agree that LEC will not provide any compensation to CMRS Provider for traffic associated with one-way CMRS, including paging services, provided by CMRS Provider.

**RLEC Proposed 5.2:**

***5.2 Rate Structure. An IP(s) will be established between the Parties' networks as specified in Appendix A for the delivery of traffic described in Section 3.1. When the Parties establish dedicated two-way trunking facilities pursuant to Section 4.1, CMRS Provider shall obtain special access from LEC for the purpose of connection between the IP(s) and LEC's applicable tandem office. These connecting facilities are set forth in Appendix A. LEC will charge special access from the applicable LEC intrastate access tariff for the tandem connecting facilities within the incumbent LEC service area of LEC. Special access charges for the connecting facilities will be reduced, as specified in Appendix B, to reflect the proportionate share of the total usage of the facilities that is related to Subject Traffic originated by LEC. For any specific IP, a single, combined, per-minute rate, as specified in Appendix B, will apply which encompasses total compensation for Transport, call Termination and any other facilities utilized to terminate Subject Traffic on the other Party's respective network.***

**CMRS Proposed 5.2:**

**5.2 Rate Structure. An IP(s) will be established between the Parties' networks as specified in Appendix A for the delivery of traffic described in Section 3.1. When the Parties establish dedicated two-way trunking facilities pursuant to Section 4.1, CMRS Provider shall obtain special access from LEC for the purpose of connection between the IP(s) and LEC's applicable tandem office. These connecting facilities are set forth in Appendix A. LEC will charge special access from the applicable LEC intrastate access tariff for the tandem connecting facilities within the incumbent LEC service area of LEC. Special access charges for the connecting facilities will be reduced, as specified in Appendix B, to reflect the proportionate share of the total usage of the facilities that is related to Subject Traffic originated by LEC.**

5.3 Non-Recurring Charges. CMRS Provider agrees to the non-recurring fees as set forth in Appendix B for the establishment of or- any additions to, or added capacity for, special access connecting facilities. Any such non-recurring charges for the connecting facilities will be reduced, as specified in Appendix B, to reflect the proportionate share of the total usage of the facilities that is related to Subject Traffic originated by LEC.

5.4 Inter-MTA Traffic. The specific compensation arrangements set forth in this Agreement for Subject Traffic are not applicable to Inter-MTA Traffic. CMRS Provider will provide compensation to LEC for terminating Inter-MTA Traffic according to the terms and conditions of LEC's applicable federal and state access tariffs. The Parties will apply the percent usage factors for the relative amounts of Inter-MTA Traffic (compared to Subject Traffic) as set forth in sections 3 and 4 of Appendix A. The Parties recognize that the Inter-MTA traffic may be both Interstate and Intrastate in nature. For the Inter-MTA traffic, the Parties will use mutually accepted Interstate and Intrastate factors as specified in Appendix A. Interstate access charges will apply to the percentage of Inter-MTA Traffic that is interstate in nature; intrastate access charges will apply to the percentage of Inter-MTA Traffic that is intrastate in nature.

**RLEC Proposed 5.5:**

**5.5 Billing.** *Subject to Section 4, above, and consistent with the terms of this section 5.5, either Party may measure or utilize industry standard records (EMI 11-0101 records) to determine the amount of traffic within the scope of this Agreement that either Party terminates on its network. The Parties intend to utilize actual terminating measurement of usage, where available, for purposes of billing pursuant to this Agreement.*

**CMRS Proposed 5.5:**

**5.5 To the extent a Party has the ability to adequately measure, bill and verify terminating traffic, the Party may utilize its own actual terminating measurement of usage for purposes of billing pursuant to this Agreement. In addition, either party may obtain industry-standard records (e.g. EMI 11-01-01 records). However, in the event that CMRS Provider may not be capable of measuring traffic, then the Parties agree to use the default percentages set forth in Section 2 of Appendix A for the application of charges pursuant to this Agreement.**

**RLEC Proposed 5.5.1:**

**5.5.1 Dedicated Interconnection.**

**5.5.1.1** *When the Parties have established dedicated trunk group(s) for the exchange of traffic this is within the scope of this Agreement, and either one Party or both Parties have actual measurement of such traffic either in one direction or both directions, then such actual available measurement, subject to the audit process set forth in this Agreement, shall be used for billing purposes for that portion of the traffic exchanged in one direction or in both directions for which there is actual measurement available.*

**5.5.1.2** *When the Parties have established dedicated trunk group(s) for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land relative to Land-to-Mobile traffic that will be used for billing purposes for traffic exchanged over the dedicated facilities in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.*

**5.5.1.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.**

**5.5.1.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.**

**CMRS Proposed 5.5.1:**

**5.5.1 [LEFT BLANK]**

**RLEC Proposed 5.5.2:**

**5.5.2 Indirect Interconnection.**

**5.5.2.1 When the Parties utilize an indirect arrangement without the use of a dedicated trunk group, the Parties shall, for billing purposes, utilize: (i) the industry standard usage records (EMI 11-0101 records) of the intermediary third-party carrier for either traffic terminating to ABCx, traffic terminating to DEFx, or both; or (ii) actual measurement of terminating usage, when available for either traffic terminating to ABCx, traffic terminating to DEFx, or both.**

**5.5.2.2 Where the Parties utilize an indirect arrangement for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land relative to Land-to-Mobile traffic exchanged via the indirect arrangement that will be used for billing purposes in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.**

**5.5.2.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.**

**5.5.2.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and**



*sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.*

**CMRS Proposed 5.5.2:**

**5.5.2 [LEFT BLANK]**

**RLEC Proposed 5.5.3:**

***5.5.3 Development of Traffic Factors. The Parties will work together to develop measurement and usage information which shows, for the traffic exchanged between the Parties pursuant to this Agreement, the relative amounts of Mobile-to-Land and Land-to-Mobile traffic representative of the actual amounts of traffic exchanged between the Parties pursuant to this Agreement either via the indirect interconnection arrangement or the dedicated trunking arrangement. To the extent that measurement and usage information available on an ongoing basis indicates that a change in the Mobile-to-Land and Land-to-Mobile factors is necessary such that the factors are representative of the actual amounts of traffic exchanged between the Parties, such change shall be made consistent with this information, and Appendix A shall be amended to reflect these new percentages. In the event of a dispute regarding any adjustment to the factors, the dispute shall be resolved by the Commission.***

**CMRS Proposed 5.5.3:**

**5.5.3 [LEFT BLANK]**

5.5.4 Audits. Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") records for the purposes of evaluating the accuracy of the Audited Party's bills and compliance with the terms and conditions of this Agreement. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if an immediately preceding audit found net inaccuracies having an aggregate value of at least \$50,000 in favor of the Auditing Party. Each Party shall cooperate fully in any such audit, providing reasonable access to any and all records reasonably necessary to assess the accuracy of the Audited Party's bills and compliance with the terms and conditions of this Agreement.

## 6.0 NOTICE OF CHANGES

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party. In the event that the provision of ninety (90) days notice is not possible, the Party making the change shall provide notification within ten (10) business days after the determination to make the network change.

## 7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

7.1 The parties will exchange traffic and volume forecasts once per year as necessary for the Parties' planning of interconnection facilities and trunking capacity. The form of such forecasts will be mutually determined by the Parties.

7.2 Each Party is individually responsible to provide facilities within its network which

are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering of such traffic it receives in that mutually acceptable format and to terminate the traffic it receives in that mutually acceptable format to the proper address on its network. Such facility shall be designed based upon the description provided under Section 4.0 above. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.

7.3 Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's Customers, and subject to notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.

7.4 The characteristics and methods of operation of any circuits, facilities or equipment of one Party connected with the services, facilities or equipment of the other Party 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; or cause damage to the other Party's plant, impair the privacy of any communications carried over the facilities or create hazards to the employees of the other Party, its affiliated companies, or its connecting and concurring carriers or the public.

7.5 If such characteristics or methods of operation are not in accordance with the preceding paragraph, either Party will notify the other Party that temporary discontinuance of the circuit, facility or equipment may be required; however, when prior notice is not practicable, either Party may forthwith temporarily discontinue the use of a circuit, facility or equipment if such action is reasonable under the circumstances. In such case of temporary discontinuance, either Party will notify the other Party immediately by telephone and provide the other Party with the opportunity to correct the condition that gave rise to the temporary discontinuance. No allowance for interruption will be applicable.

7.6 Each Party is solely responsible for the services it provides to its customers and to other telecommunications carriers.

7.7 Each Party is responsible for administering NXX codes assigned to it.

7.8 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g., workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage of bodily injury for property damage. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self-insurance).

7.9 [LEFT BLANK]

## 8.0 EFFECTIVE DATE, TERM, AND TERMINATION

8.1 This Agreement shall become effective on January 1, 2007 and shall terminate on December 31, 2008 (the "Initial Term"). When the Agreement becomes effective, the provisions contained in Section 2.0 of this Agreement shall apply with respect to the interpretation and construction of this Agreement and its ongoing relation to other references.

8.2 After the Initial Term, this Agreement shall then automatically renew on a year-to-year basis. Upon expiration of the initial term or any subsequent term, either Party may terminate this Agreement by providing written notice of termination to the other Party, with such written notice to be provided at least sixty (60) days in advance of the date of termination of the then-existing term.

8.2.1 Post-Termination Arrangements. Upon the termination or expiration of this Agreement pursuant to Section 8.2 above, and upon the written request of either Party, this Agreement shall remain in full force and effect until a replacement agreement has been executed by the Parties either (a) under an agreement voluntarily executed by the Parties; (b) under a new agreement arrived at pursuant to the provisions of the Act; or (c) under an agreement available to and requested by CMRS Provider according to the provisions of Section 252(i) of the Act, but in no case will the existing service arrangements continue for longer than twelve (12) months following the date on which notice of termination is provided, except that the Agreement will remain in place beyond the twelve (12) month period to the extent, and for the period, that the Parties are engaged in lawful arbitration pursuant to the Act.

8.3 Upon termination or expiration of this Agreement in accordance with this Section:

- (a) each Party shall comply immediately with its obligations set forth above;
- (b) each Party shall promptly pay all undisputed amounts (including any late payment charges) owed under this Agreement;
- (c) each Party's indemnification obligations shall survive termination or expiration of this Agreement.

8.4 The arrangements pursuant to this Agreement including the provision of services or facilities shall immediately terminate upon the suspension, revocation or termination by other means of either Party's authority to provide services. For LEC, authority involves the provision of local exchange or exchange access services. For CMRS Provider, authority involves the provision of CMRS services under license from the Federal Communications Commission.

8.5 [LEFT BLANK]

8.6 Default

8.6.1 Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of written notice thereof. Such default notice shall be posted by overnight mail, return receipt requested.

8.6.2 If the defaulting Party disputes the aggrieved Party's default notice, the Parties may, by mutual agreement, resolve the disagreement pursuant to the processes set forth in Section 14.9 ("Dispute Resolution"). Notwithstanding the foregoing, the aggrieved Party retains the right to, without delay and without participating in the dispute resolution process pursuant to Section 14.9, immediately pursue any available legal or regulatory remedy to resolve any question regarding the alleged default or the aggrieved Party's announced termination of the Agreement.

8.6.3 Default is defined to include:

- (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or

(b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation of any of the material terms and conditions of this Agreement.

(c) A Party's failure to pay undisputed amounts on the dates or at times specified for the facilities and services furnished pursuant to this Agreement.

8.6.4 In any event, no Party shall terminate the services and facilities arrangements or discontinue the termination of traffic under this Agreement without express authorization from an appropriate government agency authorizing such discontinuation or without a decision from a court of competent jurisdiction granting the right to discontinue the services under this Agreement.

9.0 [LEFT BLANK]

## 10.0 INDEMNIFICATION

10.1 Each Party agrees to release, indemnify, defend and hold harmless the other Party from and against all losses, claims, demands, damages, expenses, suits or other actions, or any liability whatsoever related to the subject matter of this Agreement, including, but not limited to, costs and attorneys' fees (collectively, a "Loss"), (a) whether suffered, made, instituted, or asserted by any other party or person, relating to personal injury to or death of any person, defamation, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, arising during the term of this Agreement and to the extent proximately caused by the acts or omissions of the indemnifying Party, regardless of the form of action, or (b) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out of the other Party's provision of services to the indemnifying Party under this Agreement. Notwithstanding the foregoing indemnification, nothing in this Section 10.0 shall affect or limit any claims, remedies, or other actions the indemnifying Party may have against the indemnified Party under this Agreement, any other contract, regulations or laws for the indemnified Party's provision of said services.

10.2 The indemnification provided herein shall be conditioned upon:

(a) The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.

(b) The indemnifying Party shall have sole responsibility to defend any such action with counsel reasonably acceptable to the indemnified Party, provided that the indemnified Party may engage separate legal counsel at its sole cost and expense.

(c) In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party, which consent shall not be unreasonably withheld.

(d) The indemnified Party shall, in all cases, assert any and all provisions in its Tariffs or customer contracts that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

(e) The indemnified Party shall offer the indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

10.3 A Party may, in its sole discretion, provide, in its Tariffs and contracts with its End Users and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to the End User or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such loss and (ii) consequential damages. To the extent that a Party (First Party) elects not to place

in its tariffs or contracts such limitations of liability, and the other Party (Second Party) incurs a loss as a result thereof, the First Party shall, except to the extent caused by the Second Party's gross negligence or willful misconduct, indemnify and reimburse the Second party for that portion of the loss that would have been limited had the First Party included in its tariffs and contracts the limitations of liability that the Second party included in its own tariffs at the time of such loss.

## 11.0 LIMITATION OF LIABILITY

11.1 Except in the instance of harm resulting from an intentional or grossly negligent action of one Party, the Parties agree to limit liability in accordance with this Section 11. The liability of either Party to the other Party for damages arising out of failure to comply with a direction to install, restore or terminate facilities; or out of failures, mistakes, omissions, interruptions, delays, errors or defects occurring in the course of furnishing any services, arrangements or facilities hereunder shall be determined in accordance with the terms of the applicable tariff(s) of the providing Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro rata monthly charge for the affected facility or service for the period in which such failures, mistakes, omissions, interruptions, delays, errors or defects occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects.

11.2 Neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for punitive, exemplary, indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits (collectively, "Consequential Damages"), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including, without limitation, negligence of any kind, even if the other Party has been advised of the possibility of such damages; provided, that the foregoing shall not limit a Party's obligation under Section 10.

11.3 The Parties agree that the liability to each other's customers shall be governed by the provisions of Section 10.3. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship between the Party providing the service and the customers of the Party purchasing the service. In the event of a dispute involving both Parties with a customer of one Party, both Parties shall assert the applicability of any limitation on liability to customers that may be contained in either Party's applicable tariff(s) or customer contracts.

## 12.0 COMPLIANCE WITH LAWS AND REGULATIONS

12.1 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. Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

12.2 The Parties understand and agree that this Agreement will be filed with the Commission. The Parties reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the Agreement. Further, this Agreement is subject to change, modification, or cancellation as may be required by a regulatory authority or court in the exercise of its lawful jurisdiction. Notwithstanding these mutual commitments, the Parties nevertheless enter into this Agreement without prejudice to any positions they have

taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related specifically to this Agreement or other types of arrangements prescribed in this Agreement.

### 13.0 DISCLAIMER OF REPRESENTATION AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

### 14.0 MISCELLANEOUS

#### 14.1 Authorization

14.1.1 LEC is a [insert entity type] duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

14.1.2 CMRS Provider is a [insert entity type], duly organized, validly existing and in good standing under the laws of the [insert state of organization] and has a full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

#### 14.2 Disclaimer of Agency; No Third Party Beneficiaries; Independent Contractor

Neither this Agreement, nor any actions taken by either Party, in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between the Parties, or any relationship. Neither this Agreement, nor any actions taken by either Party in compliance with this Agreement, shall create an agency, or any other type of relationship or third party liability between the Parties or between either Party and the customers of the other Party. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

#### 14.3 Force Majeure

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the affected Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and

the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease.

#### 14.4 Treatment of Proprietary and Confidential Information

14.4.1 Both Parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including, but not limited to, trade secrets, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively referred to as "Proprietary Information"). Proprietary Information shall remain the property of the disclosing Party. Both Parties agree that all Proprietary Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Proprietary Information will be returned to the owner within a reasonable time upon request of the disclosing party. Both Parties agree that the Proprietary Information shall be utilized by the non-disclosing Party only to the extent necessary to fulfill the terms of this Agreement or upon such terms and conditions as may be agreed upon between the Parties in writing, and for no other purpose. Both Parties agree to receive such Proprietary Information and not to disclose such Proprietary Information. Both Parties agree to protect the Proprietary Information received from distribution, disclosure or dissemination to anyone except employees and duly authorized agents of the Parties with a need to know such Proprietary Information and which employees and agents agree to be bound by the terms of this Section. Both Parties will use the same standard of care, which in no event shall be less than a reasonable standard of care, to protect Proprietary Information received as they would use to protect their own confidential and proprietary information.

14.4.2 Notwithstanding the foregoing, both Parties agree that there will be no obligation to protect any portion of the Proprietary Information that is either: 1) made publicly available by the owner of the Proprietary Information or lawfully disclosed by a non-party to this Agreement; 2) lawfully obtained from any source other than the owner of the Proprietary Information; 3) publicly known through no wrongful act of the receiving Party; 4) previously known to the receiving Party without an obligation to keep it confidential; 5) required to be disclosed by any governmental authority or applicable law; or 6) approved for release by written authorization of the disclosing Party.

14.4.3 Upon termination of this Agreement, the Parties shall: (i) destroy all Proprietary Information of the other party that remains in its possession; and (ii) certify the completion of such activity in writing to the other Party, within thirty (30) calendar days.

14.5 Choice of Law. The construction, interpretation, enforcement and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Kentucky without regard to its conflict of laws principles.

#### 14.6 Taxes

Any Federal, state or local excise, license, sales, use, or other taxes or tax-like charges (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The Party obligated to collect and remit taxes shall do so unless the other Party provides such Party with the required evidence of exemption. The Party so obligated to pay any such taxes may contest the same in good faith, at its own expense, and shall be entitled to the benefit of

any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The Party obligated to collect and remit taxes shall cooperate fully in any such contest by the other Party by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest.

#### 14.7 Assignability

Upon prior written notice, either Party may assign this Agreement to an entity with which it is under common ownership and/or control. Either Party may assign this Agreement to a third party upon at least sixty (60) days prior written notice and with the other Party's prior written consent, which consent shall not be unreasonably withheld. The non-assigning Party may withhold consent if the proposed non-affiliate third party assignee does not provide the non-assigning Party with sufficient evidence that it has the resources, ability, and authority to satisfactorily perform pursuant to the terms of this Agreement. In either case, this Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

#### 14.8 Billing and Payment; Disputed Amounts

14.8.1 The Parties shall invoice one another on a monthly basis. The billed Party shall pay any invoice, which is not the subject of a valid dispute, in immediately available U.S. funds, within (30) days from the date of the invoice. Billing will be based on traffic measurements or traffic factors as provided in Section 5. If traffic factors are used, LEC shall issue net bills upon CMRS Provider's request.

14.8.2 All charges under this agreement shall be billed within one year from the time the charge was incurred: previously unbilled charges more than one year old shall not be billed by either Party, and shall not be payable by either Party.

14.8.3 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amount it disputes ("Disputed Amount") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party.

14.8.4 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within thirty (30) days after delivery to the Billing Party of notice of the Disputed Amounts, then either Party may file a complaint with the Commission, or any agency of competent jurisdiction or court of competent jurisdiction, to resolve such issues or proceed with any other remedy pursuant to law or equity.

14.8.6 The Parties agree that all negotiations pursuant to this subsection 14.8 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

14.8.7 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

#### 14.9 Dispute Resolution

Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed, in the first instance, by good faith negotiation between the Parties. Should negotiations fail to resolve the dispute in a reasonable time, either





of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

14.12.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY THE PARTIES OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

#### 14.13 Survival

The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

#### 14.14 Entire Agreement.

This Agreement and any Exhibits, Appendices, or Schedules which are incorporated herein by this reference, sets forth the entire understanding and supersedes prior agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

14.15 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

#### 14.16 Publicity and Use of Trademarks or Service Marks.

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

#### 14.17 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 the opinion of either Party, 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 that does not materially alter the economic effect of this Agreement on either Party. If replacement language cannot be agreed upon within a reasonable period, either Party may proceed pursuant to the Dispute Resolution provisions of 14.9.

#### 14.18 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

#### 14.19 Modification, Amendment, Supplement, or Waiver

No modification, amendment, supplement to, or waiver of the Agreement or any of its

provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

14.20 Change of Law. If any legislative, regulatory, judicial or other government decision, order, determination or action, or any change in law applicable to this Agreement materially affects any material provision of this Agreement, the rights or obligations of either Party herein, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend this Agreement in writing in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to applicable law.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this \_\_\_ day of \_\_\_\_\_, 2007.

"CMRS Provider"

"LEC"

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

DESIGNATION OF INTERCONNECTION POINT(S)  
AND  
TRAFFIC DISTRIBUTION  
CMRS-LEC AGREEMENT

This Appendix specifies the IPs pursuant to the Agreement and the relative directionality and distribution of traffic with respect to the connecting facilities associated with each IP as follows:

1. Service Arrangement and Interconnection Point(s) Interconnection.

a. When the Parties are interconnected by means other than dedicated trunks, the IP shall be located at the existing meet-point between LEC and BellSouth or any other third-party who may be delivering CMRS Provider's traffic to LEC.

b. When the Parties are interconnected by means of dedicated trunks, the default IP shall be located at the existing meet-point between LEC and BellSouth or any other third-party who may be delivering CMRS Provider's traffic to LEC. Upon mutual agreement, the Parties may change the location of this default IP.

**RLEC Proposed paragraph 2:**

**2. Pursuant to the terms and conditions of Section 5.5.1 and 5.5.2, and to the extent applicable, the Parties agree that the relative directionality of the total amount of two-way traffic exchanged between the Parties for traffic within the scope of this Agreement is:**

**% Mobile-to-Land traffic terminating on LEC's network = To be determined, if applicable %**  
**% Land-to-Mobile traffic terminating on CMRS Provider's network = To be determined, if applicable %**

**Usage Calculation: To be added, if applicable.**

**CMRS Proposed paragraph 2:**

**2. Pursuant to the terms and conditions of Section 5.5 the Parties agree that the relative directionality of the total amount of two-way traffic exchanged between the Parties for traffic within the scope of this Agreement is:**

**% Mobile-to-Land traffic terminating on LEC's network = xx% [per CMRS proposals]**

**% Land-to-Mobile traffic terminating on CMRS Provider's network = xx% [per CMRS proposals]**

3. For the total traffic terminating on LEC's network, the Parties agree to the following distribution of traffic:

% Subject Traffic	= 97 %
% Intrastate Inter-MTA Traffic	= 1.5 %
% Interstate Inter-MTA Traffic	= 1.5 %

4. For the total traffic terminating on CMRS Provider's network, the Parties agree to the following distribution of traffic:

% Subject Traffic	=	100 %
% Intrastate Inter-MTA Traffic	=	0 %
% Interstate Inter-MTA Traffic	=	0 %

Approved and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

"CMRS Provider"

"LEC"

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

This Appendix specifies the rates for the Transport and Termination of traffic delivered by one Party to the network of the other Party pursuant to the Agreement as follows:

**1. CHARGES FOR TRANSPORT, TERMINATION AND TANDEM SWITCHING for Subject Traffic: \$0.xxxx / MOU**

**2. Charges for Access Transport, Access Termination and Access Tandem Switching for Inter-MTA Traffic:**

Current LEC access tariffs in the proper jurisdiction apply.

**3. Special Access Connecting Facilities:**

Pursuant to sections 5.2-5.3 of the Agreement, LEC will charge CMRS Provider special access rates pursuant to LEC's effective intrastate access tariff for the connecting facilities.

LEC will credit CMRS Provider for its portion of special access transport as provided in this Agreement.

Approved and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

"CMRS Provider"

"LEC"

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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

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JAN 22 2007

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION PUBLIC SERVICE  
COMMISSION

In the Matter of:

Petition of Ballard Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996 ) Case No. 2006-00215 ✓

Petition of Duo County Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996 ) Case No. 2006-00217

Petition of Logan Telephone Cooperative Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996 ) Case No. 2006-00218

Petition of West Kentucky Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement with American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996 ) Case No. 2006-00220





Petition of Gearheart Communications Inc. d/b/a Coalfields Telephone Company, For Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant To the Communications Act of 1934, As Amended by the Telecommunications Act of 1996

Case No. 2006-00294

Petition of Mountain Rural Telephone Cooperative Corporation, Inc., For Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant To the Communications Act of 1934, As Amended by the Telecommunications Act of 1996

Case No. 2006-00296

Petition of Peoples Rural Telephone Cooperative Corporation, Inc., For Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant To the Communications Act of 1934, As Amended by the Telecommunications Act of 1996

Case No. 2006-00298

Petition of Thacker-Grigsby Telephone Company, Inc., For Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement With Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated d/b/a Verizon Wireless, and Kentucky RSA No. 1 Partnership d/b/a Verizon Wireless, Pursuant To the Communications Act of 1934, As Amended by the Telecommunications Act of 1996

Case No. 2006-00300

## **CMRS PROVIDERS' FILING IN SUPPORT OF CONFORMED INTERCONNECTION AGREEMENT**

### **I. INTRODUCTION**

Pursuant to the Commission's *Order* issued on December 22, 2006 ("*Dec. 22 Order*"), the CMRS Providers<sup>1</sup> respectfully submit this filing in support of their proposed conforming interconnection agreement ("ICA"). While the parties have negotiated diligently, and have reached agreement on conforming language in most sections of the ICA, there remain critical areas in which the parties are in disagreement based on their differing interpretations of the Dec. 22 Order. Exhibit A hereto is a copy of the CMRS Providers' proposed conformed ICA, with redline changes that show how the CMRS proposal differs from the RLEC proposal. Exhibit B is a spreadsheet that contains the rates and traffic factors to be inserted into the various final appendices. For the reasons set forth below, the Commission should order the parties to file final conformed agreements that reflect the rates, terms and conditions reflected in Exhibits A and B.<sup>2</sup>

### **II. THE RLECS' PROPOSAL IMPROPERLY REQUIRES THE CMRS PROVIDERS TO PAY FOR THE COST OF DELIVERING RLEC TRAFFIC FROM THE IP**

As the CMRS Providers indicated in their Petition for Rehearing, the parties have differing interpretations regarding the Commission's resolution of Issues 5 and 6, which relate to

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<sup>1</sup> Alltel Communications, Inc. ("Alltel"); New Cingular Wireless PCS, LLC, successor to BellSouth Mobility LLC, BellSouth Personal Communications LLC and Cincinnati SMSA Limited Partnership d/b/a Cingular Wireless ("Cingular"); Sprint Spectrum L.P., on behalf of itself and SprintCom, Inc., d/b/a Sprint PCS ("Sprint PCS"); T-Mobile USA, Inc., Powertel/Memphis, Inc., and T-Mobile Central LLC ("T-Mobile"); and Cellco Partnership d/b/a Verizon Wireless, GTE Wireless of the Midwest Incorporated, and Kentucky RSA No. 1 Partnership ("Verizon Wireless").

<sup>2</sup> The CMRS Providers have drafted conformed language even where the Commission ruled in favor of the RLECs. By doing so the CMRS Providers have not waived their respective positions and will file revised conformed contract language should the Commission rule favorably with regard to the CMRS Providers' pending Petition for Rehearing and/or Clarification of Certain Aspects of the Commission's Order filed on January 16, 2007 ("Petition for Rehearing"). Further, the CMRS Providers reserve the right to challenge the ultimate approval of that language, and to appeal any adverse rulings in accordance with 47 U.S.C. § 252(e)(6).

the terms on which the parties indirectly interconnect, and the obligation of each carrier to pay transit costs for its own traffic. The *Dec. 22 Order* states:

Based on this statute [47 U.S.C. § 251(c)(2)(B)], the Commission finds that the RLECs should not be required to establish interconnection points beyond their local service territory. Thus, for indirect interconnection, the interconnection may occur through a third party at a suitable network node of the incumbent.

*Dec. 22 Order*, p. 12. A similar difference of interpretation arises with regard to payment obligations for direct interconnection facilities in Issue 7.

In order to implement this directive, the CMRS Providers have proposed the following contract language for indirect and direct interconnection, respectively:

4.1.2 Indirect Interconnection. All Subject Traffic not exchanged via direct interconnection shall be exchanged indirectly through one or more third party networks that is directly interconnected with LEC's network at an IP. Traffic exchanged indirectly will be subject to the compensation stated in Appendix B. Each Party shall be responsible for (a) all transit charges, if any, generated by calls originated on its network, and (b) all costs of the facilities linking its own switch(es) to the third party's network.

...

4.1.4 Direct Interconnection.

4.1.4.1 Either Party may elect to provision one-way direct interconnection facilities for the delivery of its originated traffic to the terminating Party's network. In that event, the originating Party will be responsible for 100% of the recurring and non-recurring costs associated with those facilities.

4.1.4.2 At CMRS Provider's request, the Parties will provide two-way direct interconnection facilities between their networks with each Party being responsible for the recurring and non-recurring facility costs based upon each Party's respective proportionate use of the facilities used to deliver traffic originated on that Party's networks. In the absence of actual measured traffic, the traffic factors provided for in Appendix A will be used to determine each Party's proportionate use of the facilities for these purposes. Each Party's direct interconnection facilities shall be physically connected with the other's on LEC's network.

4.1.4.3 To the extent that the LEC provisions all, or part, of the two-way facilities, the facilities cost will be based on LEC's effective intrastate access tariff for connecting facilities. The CMRS Provider will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.

4.1.4.4 To the extent the CMRS Provider provisions all or part of those facilities, the facilities costs will be based on the actual rates charged by or to the CMRS Provider. The LEC will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.

This contract language makes clear that whether the parties are directly or indirectly interconnected, the RLECs will be physically connected with either the CMRS Provider or the transit carrier at a network node within the RLEC's local service territory. It also ensures that the originating carrier pays the flat rated network transport or transit costs associated with its originated traffic.

The CMRS Providers' proposed contract language implements the Commission's *Dec. 22 Order*, and meets the requirement of 47 U.S.C. § 251(c)(2)(B) with regard to the location of the interconnection point. In addition, this language meets FCC directives regarding the RLECs' obligation to pay any applicable transit charges:

Section 51.703(b), when read in conjunction with Section 51.701(b)(2), requires LECs to deliver, without charge, traffic to CMRS providers anywhere within the MTA in which the call originated . . . .<sup>3</sup>

It is further consistent with Commission decisions in the *Level 3*<sup>4</sup> and *Brandenburg*<sup>5</sup> cases, and all applicable court authority.<sup>6</sup>

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<sup>3</sup> *TSR Wireless v. US West*, 15 FCC Rcd. 11166, 11184 ¶ 31 (2000), *aff'd Qwest v. FCC*, 252 F.3d 462 (D.C. Cir. 2001) ("*TSR Wireless*") (emphasis added).

<sup>4</sup> The Petition of Level 3 Communications, LLC for Arbitration With BellSouth Telecommunications, Inc. Pursuant to Sections 252(b) of The Communications Act of 1934, as Amended by The Telecommunications Act of 1996, Order at 1 (March 14, 2001) ("*Level 3 Order*").

<sup>5</sup> Petition of Brandenburg Telecom LLC for Arbitration of Certain Terms and Conditions of proposed Agreement With Verizon South Inc. Pursuant to The Communications Act of 1934, as Amended by The Telecommunications Act of 1996, Order at 16 (Nov. 15, 2001).

<sup>6</sup> *Mountain Communications, Inc. v. FCC*, 355 F.3d 644, 648-49 (D.C. Cir. 2004) (LEC cannot require CMRS provider to pay costs of transporting LEC calls to CMRS network); *Atlas Tel. Co. v. Oklahoma Corporation Comm'n*, 400 F.3d 1256, 1268 (10th Cir. 2005) (rural LECs required to pay transit costs for calls delivered to CMRS network); *WWC License, L.L.C. v. Boyle*, 459 F.3d 880, 892 (8th Cir. 2006) (requiring rural LEC to deliver and pay for calls at the third party tandem); *MCIMetro Access Transmission Servs., Inc. v. BellSouth Telecomms., Inc.*, 352 F.3d 872, 881 (4th Cir. 2003) ("Rule 703(b) is unequivocal in prohibiting LECs from levying charges for traffic originating on their own networks, and, by its own terms, admits of no exceptions").

The RLECs' proposed contract language (their proposed Section 4.1.4, one sentence of Section 4.1.2, and the final sentence of Section 5.2) requires the CMRS Providers to be responsible for all land-to-mobile transit costs, including the cost of any billing records, when the parties are indirectly connected. This does not implement the Commission's *Dec. 22 Order*, and is contrary to law. Because the Commission must approve contract language that is consistent with FCC Rules and Orders, the CMRS Providers respectfully request that the Commission require the parties to use the CMRS Providers' contract language, which requires the originating carrier to pay network and transit costs associated with its own traffic.

**III. THE RLECS' PROPOSED LANGUAGE IMPOSES RESTRICTIONS ON THE CMRS PROVIDERS' INDIRECT INTERCONNECTION RIGHTS, AND GRANTS THE RLECS SUBJECTIVE RIGHTS TO DEMAND DIRECT INTERCONNECTION, THAT GO BEYOND ANY REASONABLE INTERPRETATION OF THE DEC. 22 ORDER**

The *Dec. 22 Order* contains four passages regarding the nature of the information that should be provided to an RLEC by a transit provider for the purpose of adequately identifying indirectly delivered CMRS-originated traffic, and what should happen if such information is not provided. First, in discussing Issue 2 ("Does the ICA cover traffic exchanged both directly and indirectly?"), the Commission states on page 9:

RLECs should have the ability to adequately and independently verify local traffic being exchanged through an intermediary. Therefore, traffic exchanged through an intermediary should include sufficient information for the terminating carrier to identify and measure the originating carrier's traffic.

Second, on page 10, in discussing Issue 3 ("Is the ICA only applicable to traffic within Kentucky?") the Commission states:

... as discussed in the Commission's consideration of Issue 2 above, traffic exchanged between the RLECs and the CMRS Providers should include sufficient information to allow the carriers to adequately and independently verify the type and volume of traffic being exchanged.

Finally, in discussing Issue 6 ("Can RLECs use the tandem provider's industry standard 11-01-01 records to measure and bill CMRS originated traffic?"), the Commission states:

The Commission reiterates its prior considerations above and finds that a terminating carrier should have the ability to adequately and independently verify traffic exchanged with an originating carrier.

The Commission further finds that, in circumstances where the transit carrier (here BellSouth) cannot provide to the RLECs adequate verification of the jurisdictional nature and rating of transited calls, then dedicated trunk groups should be utilized.

While the CMRS Providers submit that BellSouth's 11-01-01 records currently provide the information needed by the RLECs for accurate billing, as demonstrated by their current use of such records, there is simply no discussion in the *Dec. 22 Order* as to what the Commission considers to be "sufficient information" for the RLECs to identify and measure the originating carrier's traffic; "sufficient information" for the RLECs to "adequately and independently verify the type and volume of traffic being exchanged"; or, BellSouth's "adequate verification of the jurisdictional nature and rating of transited calls." As further explained below, the differences between the parties are not mere semantics but go to the heart of the RLECs' attempt to unduly restrict the CMRS Providers' right to indirectly interconnect under federal law.

The CMRS Providers read the above passages to mean that when traffic is indirectly exchanged, a) the Commission expects an RLEC will receive industry-standard 11-01-01 records that enable the RLEC to adequately identify the CMRS Provider that originated the traffic for the purpose of rendering accurate bills; and b) 11-01-01 records are sufficient to support indirect interconnection unless direct interconnection provides additional *jurisdictional and rating* information. The CMRS Providers propose the following Section 4.1.3:

4.1.3 The Parties will establish dedicated interconnection facilities if the transit carrier used by the Parties does not provide information that would allow accurate bills to be issued, and the use of dedicated facilities would provide additional jurisdictional and rating information. As of the effective date of this Agreement, LEC is receiving traffic on

common trunks and is receiving information from the transit provider that allows it to render accurate bills. Any dispute regarding the need for dedicated connections shall be resolved by the Commission pursuant to the Dispute Resolution provision of this Agreement. This subsection does not apply if Subject Traffic between the Parties is less than the capacity of a DS1. In addition to the foregoing, the Parties will establish dedicated interconnection facilities when Subject Traffic between them exceeds a DS1 level.

The CMRS Providers' proposed language accomplishes the following:

- It acknowledges the parties' current, undisputed use of industry standard 11-01-01 records for inter-carrier billing;
- It harmonizes the Commission's statements regarding traffic identification with the CMRS Providers' right to indirectly interconnect under federal law and also under prior Commission precedent "until the traffic reaches a significant volume;"<sup>7</sup>
- It recognizes that given the use of an interMTA factor that is set for the entire term, there is no need for additional information regarding the "jurisdiction" of the call over and above the identification of the originating carrier; and
- It provides that in no case are dedicated facilities required when traffic levels are below a DS1. The CMRS Providers have proposed this language because the RLECs themselves proposed that dedicated facilities were never necessary below a DS1 threshold. As a result, the Commission should not require or adopt language more restrictive and burdensome on this issue than that proposed by the RLECs.

The RLECs' proposed Sections 4.1.2 and 4.1.3, on the other hand, *adds language* that goes far beyond anything in the *Dec. 22 Order*:

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<sup>7</sup> *Dec. 22 Order*, p. 9 (citing the *Level 3 Order*, pp. 3, 4).

4.1.2 Indirect Interconnection. **Subject to the conditions set forth in this section 4.1,** CMRS Provider shall be permitted to use a third party carrier's facilities for purposes of establishing interconnection indirectly with LEC at the IP(s) and the exchange of traffic that is within the scope of this Agreement between the Parties. **The use of a third party carrier by CMRS Provider** for such purposes **is expressly conditioned** on CMRS Provider **ensuring** that the third party carriers delivers CMRS Provider's traffic to LEC at no charge to LEC, and in such a manner that includes **complete and accurate industry standard call records (EMI 11-0101 records) that allow for LEC to independently and adequately measure and identify the type, volume, jurisdiction, and originating carrier of such traffic.** **If** CMRS Provider's traffic is **not delivered to LEC in such a manner** and with such records, **CMRS Provider shall be required to establish dedicated trunks with LEC pursuant to the notice** and implementation process described in Section 4.1.3 (just as though the threshold established in Section 4.1.3 had been met), and CMRS Provider shall (consistent with the terms of Section 4.1.5) discontinue delivering any traffic via such third party....

4.1.3 The **Indirect Interconnection** arrangement described in section 4.1.2, above, shall **only be available** to CMRS Provider **so long as:** (i) the total **volume of traffic exchanged** (pursuant to the terms of this Agreement) between CMRS Provider and LEC does **not exceed** the reasonable operating capacity of a **DS1;** **and (ii)** the intermediary **third-party carrier provides LEC with adequate verification, as described in Section 4.1.2,** of the jurisdictional nature and ration of calls transited through the third-party carrier. For purposes of establishing the reasonable operating capacity threshold, if the total monthly volume of traffic exchanged between the Parties exceeds **216,000 minutes** of usage for three (3) consecutive months a dedicated trunk group shall be required for the exchange of traffic pursuant to this Agreement, and such trunk group shall be established pursuant to the terms and conditions set forth in Section 4.1.4, below.

(Emphasis added).

This proposed language has the following deficiencies:

- It requires the CMRS Providers to “ensure” the appropriateness of a transit provider's records, as a pre-requisite to indirectly exchanging traffic, even though the Commission-approved Settlement Agreement requires the RLECs to negotiate with BellSouth regarding the continued use of 11-01-01 records for billing. The RLECs' proposed language might be read to allow the RLECs at any time to stop relying upon the very 11-01-01 records that they currently receive from BellSouth and Windstream and – based solely on the RLECs' discretion – demand that any and all of the CMRS Providers establish direct interconnection trunks. Provisions that grant the RLECs such unilateral and subjective power are contrary to the CMRS Providers' indirect interconnection rights under federal law, as well as the



spirit and intent of the *Dec. 22 Order*, and should not be endorsed by this Commission.

- The second sentence of the RLECs' Section 4.1.2 (and the item (ii) cross referenced within section 4.1.3) would condition the CMRS Providers' right to indirectly interconnect upon the CMRS Providers' "ensuring" that 11-01-01 records allow the LECs to measure and identify the "type, volume, jurisdiction, and originating carrier" of received traffic. The RLECs' proposed language, however, neither explains nor identifies these standards but nonetheless could lead an RLEC to unilaterally demand direct interconnection if a CMRS Provider does not, in the RLEC's determination, meet the ill-defined requirements.
- The language is potentially confusing in requiring that tandem records allow the RLECs to determine the "jurisdiction" of CMRS-originated traffic. The parties have agreed to language that fixes the interMTA percentage for the term of the Agreement, so the only "jurisdictional" information to be transmitted is the identification of the originating carrier. As a result, additional references to "jurisdictional" information in this section are unnecessary and potentially confusing. Instead, the CMRS Providers' proposed language recognizes that the 11-01-01 records currently provided today by BellSouth are accurate for intercarrier billing, but acknowledges that third-party, tandem records could *theoretically* trigger a need to establish a direct connection – provided direct interconnection trunks would include billing information lacked by tandem records. If direct interconnection would provide no additional billing information, then there is no reason to require direct interconnection.

- The RLECs' proposed language in Section 4.1.3 would also restrict the CMRS Providers' indirect interconnection rights by requiring direct interconnection when total exchanged traffic between an RLEC and a CMRS Provider exceeds 216,000 minutes per month for three consecutive months. This is, apparently, the RLECs' attempt to define what the *Dec. 22 Order* means by a "DS1" level of traffic. *Dec. 22 Order*, p. 9. (The Order itself is silent on this point.) A simple example demonstrates the inadequacy of a 216,000 minute threshold: If Cingular Wireless and Ballard Telephone exchange 216,000 minutes of total traffic in a given month, then application of the traffic ratio of 56%/44%, established in Cingular's traffic study and adopted by the Commission in Issue 13, results in Cingular's originating 120,960 minutes in that month, and Ballard's originating 95,040 minutes. At the compensation rate of \$0.005547/MOU established by the *Dec. 22 Order* for Ballard, the net amount owed that month from Cingular to Ballard would be \$143.78. Nothing in the record, nor in any other source, for that matter, supports the assertion that such a tiny amount of traffic and compensation warrant the establishment of direct interconnection trunks – at a cost that far exceeds the reciprocal compensation involved.

Based on the foregoing, the Commission should reject the RLECs' proposed provisions 4.1.2 and 4.1.3 that improperly restrict the CMRS Providers' indirect interconnection rights and establish an unrealistically low level of traffic for the conversion from indirect to direct interconnection, and accept the CMRS Providers proposed Section 4.1.3.

**IV. THE RLECS' PROPOSED LANGUAGE FAILS TO IMPLEMENT THE COMMISSION'S DECISION WITH REGARD TO CMRS BILLING AND USE OF FACTORS**

Issue 13 in this case was “If a CMRS Provider Does Not Measure Intercarrier Traffic for Reciprocal Compensation Billing Purposes, What Intra-MTA Traffic Factors Should Apply?” The Commission’s ruling on this issue was as follows:

The Commission finds that the use of traffic factors is reasonable where carriers do not have equipment in place to measure their traffic. The use of traffic factors appears to be standard practice. The Commission therefore adopts the measurement methodology for developing traffic factors proposed by the CMRS Providers.

*Dec. 22 Order*, p. 18. Despite the Commission’s clarity on this point, the RLECs have proposed contract language that rejects the traffic factors proposed by the CMRS Providers, and that could prevent the CMRS Providers from using factors at all.

At the hearing in this matter, the CMRS Providers explained that where they lack measurement capability they must use traffic factors to bill RLECs. Such use is standard practice throughout the industry. The RLECs opposed the use of factors, claiming that the CMRS Providers should be required to deploy measurement equipment.

The Commission ruled in favor of the CMRS Providers on this issue, finding that the use of traffic factors is “reasonable,” and adopting “the measurement methodology for developing traffic factors proposed by the CMRS Providers.”

To implement this straight-forward ruling by the Commission, the CMRS Providers have proposed the following paragraph:

5.5 To the extent a Party has the ability to adequately measure, bill and verify terminating traffic, the Party may utilize its own actual terminating measurement of usage for purposes of billing pursuant to this Agreement. In addition, either party may obtain industry-standard records (e.g. EMI 11-01-01 records). However, in the event that CMRS Provider may not be capable of measuring traffic, then the Parties agree to use the default percentages set forth in Section 2 of Appendix A for the application of charges pursuant to this Agreement.

The RLECs have refused to agree to the above language and instead have proposed a series of complicated contract sections<sup>8</sup> (applying to both direct and indirect interconnection) inconsistent with the Commission’s ruling on this issue. In effect, as the discussion below demonstrates, the RLECs are trying to force the CMRS Providers to use EMI 11-01-01 records to determine the number of land-to-mobile minutes in cases of indirect interconnection. Currently, the CMRS providers do not receive EMI records from BellSouth that identify land-to-mobile usage, and even if they did the CMRS Providers lack the systems to allow direct billing from such EMI records. While CMRS providers can rely on the mobile-to-land EMI records provided to the RLECs from BellSouth by using a factor methodology to arrive at reciprocal compensation measurements, that is much different than receiving and processing records of land-to-mobile calls. In the case of direct interconnection, the RLECs are still proposing language that would allow them to bill themselves, without applications of the factors. The RLEC-proposed language is inconsistent with the use of traffic factors (which the Commission’s Order allows) and therefore should be rejected.

**A. Direct Interconnection**

The RLECs’ proposed Section 5.5 would apply in the case of direct interconnection:

5.5 Billing. Subject to Section 4, above, and consistent with the terms of this section 5.5, either Party may measure or utilize industry standard records (EMI 11-0101 records) to determine the amount of traffic within the scope of this Agreement that either Party terminates on its network. The Parties intend to utilize actual terminating measurement of usage, where available, for purposes of billing pursuant to this Agreement.

This proposed section is inconsistent with the Commission’s Order because it states that the RLECs and CMRS Providers “intend” to utilize “actual terminating measurement” for

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<sup>8</sup> See RLECs’ proposed sections 5.5, 5.5.1, 5.5.1.2, 5.5.1.3, 5.5.1.4, 5.5.2.1, 5.5.2.2, 5.5.2.3, 5.5.2.4, and 5.5.3.

intercarrier billing. Through such language, the RLECs would force the CMRS Providers to install systems that would allow for intercarrier billing based upon 11-01-01 records, systems that the CMRS Providers currently lack. The CMRS Providers made clear in their testimony that they lack the capability to measure terminating RLEC usage, whether interconnection is direct or indirect. Therefore, the CMRS Providers do not intend to base their bills to RLECs upon measurements of actual usage. Despite this, the RLECs have refused to modify the proposed language, indicating that the RLECs want to use this portion of the interconnection agreement to attempt to force the CMRS Providers to forgo the use of traffic factors – in contravention of the Commission’s Order on Issue 13.

The RLECs’ proposed Section 5.5.1.1 would apply in the case of direct interconnection:

5.5.1.1 When the Parties have established dedicated trunk group(s) for the exchange of traffic that is within the scope of this Agreement, and either one Party or both Parties have actual measurement of such traffic either in one direction or both directions, then such actual available measurement, subject to the audit process set forth in this Agreement, shall be used for billing purposes for that portion of the traffic exchanged in one direction or in both directions for which there is actual measurement available.

This proposed section is inconsistent with the Commission’s Order, because it would allow a party claiming the ability to measure traffic in both directions (mobile/land and land/mobile) to use its measurements for billing in both directions. As the CMRS Providers discussed in their post-hearing briefs, the RLECs claim that they have the ability to measure both mobile-to-land and land-to-mobile traffic but have neither demonstrated nor proven their ability to accurately measure traffic that both originates and terminates from CMRS providers. Neither does the language proposed by the RLECs provide a means for validation of RLEC measurement. The CMRS Providers would use traffic factors to bill for land-to-mobile traffic. The RLECs, on the other hand, would use the above language to, in effect, “bill themselves” for land-to-mobile traffic, because the above provision would allow bills for land-to-mobile traffic to be based upon measurements made by either the CMRS Provider or the RLEC. Such a situation would

inevitably lead to further conflict whereas the traffic factor method endorsed in the Commission's decision provides stability for the term of these agreements. The language proposed by the RLECs is therefore inconsistent with the Commission's decision to allow the CMRS Providers to bill RLECs based on traffic factors.

The RLECs' proposed Section 5.5.1.2 would apply in the case of direct interconnection:

5.5.1.2 When the Parties have established dedicated trunk group(s) for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land relative to Land-to-Mobile traffic that will be used for billing purposes for traffic exchanged over the dedicated facilities in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.

This section is inconsistent with the Commission's Order, because it would allow the use of traffic factors only when "neither Party" has actual measurement capabilities. The RLECs claim to have measurement capability. Thus, under proposed section 5.5.1.2, CMRS Providers would not be allowed to bill based on traffic factors. Instead, under proposed section 5.5.1.1, above, the RLECs would be allowed to create bills both to themselves and to the CMRS Providers. Such a procedure is inconsistent with the Commission's Order allowing the CMRS Providers to employ traffic factors to bill the RLECs.

The RLECs' proposed Section 5.5.1.3 would apply in the case of direct interconnection:

5.5.1.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.

This proposed section assumes that at some unspecified point in the future, if neither party can measure traffic, the RLECs and CMRS Providers will negotiate appropriate traffic factors. If agreement on factors cannot be reached, then the dispute resolution process may be invoked. Of

course, the other provisions discussed above would allow the RLECs to create bills in both directions, thus negating the effect of this provision.

The Commission’s *Dec. 22 Order*, however, allows the CMRS Providers to use traffic factors for billing, thus making the establishment of traffic factors a requirement. Moreover, the Order “adopts the measurement methodology for developing traffic factors proposed by the CMRS Providers.” Thus, there is no need for the Parties to negotiate factors. The CMRS Providers have already applied the approved methodology and produced the following factors for each company. (Alltel, Cingular and Sprint do not have a factor listed for each RLEC, because only certain RLECs filed petitions for arbitration against Alltel, Cingular and Sprint.)

<b>ILEC</b>	<b><u>M-L Traffic</u> Factor With Cingular</b>	<b><u>M-L Traffic</u> Factor With T- Mobile</b>	<b><u>M-L Traffic</u> Factor With Verizon Wireless</b>	<b><u>M-L Traffic</u> Factor With Sprint</b>	<b><u>M-L Traffic</u> Factor With Alltel</b>
<b>Ballard</b>	56%-44%	70%-30%	65%-35%	70%-30%	70%-30%
<b>Brandenburg</b>	N/A	70%-30%	65%-35%	N/A	N/A
<b>Coalfields</b>	N/A	70%-30%	65%-35%	N/A	N/A
<b>Duo</b>	N/A	70%-30%	65%-35%	70%-30%	70%-30%
<b>Foothills</b>	88%-12%	70%-30%	65%-35%	N/A	N/A
<b>Logan</b>	N/A	70%-30%	65%-35%	70%-30%	70%-30%
<b>Mountain Rural</b>	N/A	70%-30%	65%-35%	N/A	N/A
<b>North Central</b>	N/A	70%-30%	65%-35%	70%-30%	N/A
<b>Peoples Rural</b>	N/A	70%-30%	65%-35%	N/A	N/A
<b>South Central</b>	73%-27%	70%-30%	65%-35%	N/A	N/A
<b>Thacker-Grigsby</b>	N/A	70%-30%	65%-35%	N/A	N/A
<b>West Kentucky</b>	58%-42%	70%-30%	65%-35%	70%-30%	70%-30%

The RLECs have chosen not to conduct any traffic studies or otherwise present evidence on the appropriate factors. Indeed, the RLECs’ position was that traffic factors should not be allowed at all. Therefore, as in the case of transport and termination rates, the only evidence available to the Commission is that presented by the CMRS Providers. The above traffic factors should therefore be included in each CMRS/RLEC interconnection agreement to be consistent with the *Dec. 22 Order*.

The RLECs’ proposed Section 5.5.1.4 would apply in the case of direct interconnection:

5.5.1.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.

This proposed section suffers from the same problem as the RLECs' proposed section 5.5.1.1, and would have too limited of an effect when compared with the CMRS Providers' proposal.

**B. Indirect Interconnection**

The RLECs have proposed additional language that would apply in the case of indirect interconnection. Again, this proposed language is inconsistent with the Commission's *Dec. 22 Order* on Issue 13.

5.5.2 Indirect Interconnection.

5.5.2.1 When the Parties utilize an indirect arrangement without the use of a dedicated trunk group, the Parties shall, for billing purposes, utilize: (i) the industry standard usage records (EMI 11-0101 records) of the intermediary third-party carrier for either traffic terminating to ABCx, traffic terminating to DEFx, or both; or (ii) actual measurement of terminating usage, when available for either traffic terminating to ABCx, traffic terminating to DEFx, or both.

In the case of indirect interconnection, this section would require the CMRS Providers to bill the RLECs based on either (1) actual terminating measurements, or (2) 11-01-01 records. However, the CMRS Providers lack systems to allow billing based on either method. That is why the CMRS Providers must bill based on traffic factors. Thus, the above language is inconsistent with the Order and demonstrates the RLECs' attempt to force the CMRS Providers to do something the Order does not require.

The RLECs' proposed Sections 5.5.2.2 and 5.5.2.3 would apply in the case of indirect interconnection:

5.5.2.2 Where the Parties utilize an indirect arrangement for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land



relative to Land-to-Mobile traffic exchanged via the indirect arrangement that will be used for billing purposes in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.

5.5.2.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.

These sections, like proposed section 5.5.1.3 quoted above, would apply only when neither Party has measurement capability. Since the RLECs claim such capability, these sections, from the RLECs' viewpoint, would never apply. Even if these provisions did apply, they would not establish traffic factors. Instead, they would require the parties to negotiate such factors and invoke dispute resolution in the case of disagreement. As discussed above, however, negotiations and dispute resolution over traffic factors have been completed. The CMRS Providers have already presented evidence on the appropriate factors, and the RLECs have presented nothing. The traffic factors listed above should be included in the conformed contracts – to apply in cases of both direct and indirect interconnection.

The RLECs' proposed Section 5.5.2.4 would apply in the case of indirect interconnection thereby eliminating the need for Section 5.5.2.3:

5.5.2.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.

As in the case of proposed section 5.5.1.4, this section would have too limited of an effect when compared with the CMRS Providers' proposal.

### **C. Negotiation of Factors**

The RLECs have also proposed the following language that would purport to establish traffic factors. Since other RLEC language would require the use of factors only when both

Parties cannot measure traffic, and since the RLECs claim to have such measurement capability, the proposed language below would have no practical effect.

Adopting the language below while rejecting other RLEC language, however, would not properly implement the Commission's *Dec. 22 Order* on Issue 13. The language below would not establish traffic factors; instead, it would require the parties to negotiate traffic factors, with resort to dispute resolution if agreement is not reached. Since the entire point of this arbitration was to resolve disputes, including the dispute over intercarrier billing, additional negotiations are *not only inconsistent with the Commission's Order*, they are inconsistent with the Act, which requires the Commission to resolve all issues brought before it. 47 U.S.C. § 252(b)(4)(C). Thus, the following additional proposed language of the RLECs is inappropriate and should not be adopted:

5.5.3 Development of Traffic Factors. The Parties will work together to develop measurement and usage information which shows, for the traffic exchanged between the Parties pursuant to this Agreement, the relative amounts of Mobile-to-Land and Land-to-Mobile traffic representative of the actual amounts of traffic exchanged between the Parties pursuant to this Agreement either via the indirect interconnection arrangement or the dedicated trunking arrangement. To the extent that measurement and usage information available on an ongoing basis indicates that a change in the Mobile-to-Land and Land-to-Mobile factors is necessary such that the factors are representative of the actual amounts of traffic exchanged between the Parties, such change shall be made consistent with this information, and Appendix A shall be amended to reflect these new percentages. In the event of a dispute regarding any adjustment to the factors, the dispute shall be resolved by the Commission.

Instead, the specific traffic factors proposed by the CMRS Providers should be incorporated in the interconnection agreements.

**D. Conclusion**

The single paragraph proposed by the CMRS Providers accurately implements the Commission's Order on Issue 13 and should be adopted, as should the specific traffic factors proposed by the CMRS Providers and cited above.

V. **THE RLECS' PROPOSED DIALING PARITY LANGUAGE DOES NOT FULLY IMPLEMENT THE COMMISSION'S DECISION.**

Issue 16 involved whether the RLECs are required to provide dialing parity to the numbers assigned to the customers of CMRS Providers. The Commission ruled:

The Commission has already determined that “[p]arity does not exist when the CLEC’s customers must dial 10 digits and incur toll charges to reach a ‘local’ number an ILEC’s customers may reach by dialing 7 digits without a toll charge.” *Dec. 22 Order*, p. 21. [Citation omitted.]

To implement this ruling, the CMRS Providers have proposed the exact language that the CMRS Providers proposed throughout this proceeding:

4.4 Dialing Parity. LEC will ensure that its customers can make calls to CMRS Providers’ customers’ numbers in local and EAS exchanges without dialing extra digits or paying extra charges.

The CMRS Providers proposed language captures the two important points of dialing parity: (1) customers should have to dial no extra digits as compared to identically-rated landline numbers, and (2) customers should have to pay no extra costs as compared to identically-rated landline numbers.

In contrast, the RLECs have proposed the following language:

4.4 Dialing Parity. The Parties shall comply with Local Dialing Parity and Toll Dialing Parity as required by applicable law. When a CMRS Provider end-user has a telephone number that is assigned (as recorded in the Local Exchange Routing Guide) to a ratecenter within the non-optional local calling area of LEC’s originating end-user, LEC shall provide local dialing and rating parity for calls originated by its end-user(s) to such telephone number(s) of CMRS Provider end-user(s).

The RLECs' proposed language does provide that customers will not be required to dial extra digits, but appears to leave open the possibility that they could assess additional charges on wireless numbers. Such a position is inconsistent with the Commission’s *Dec. 22 Order*, and contrary to the sound public policy. Therefore, the CMRS-proposed language should be adopted.

**VI. CONCLUSION**

For the foregoing reasons, the CMRS Providers respectfully request that the Commission adopt the language proposed by the CMRS Providers and attached hereto as Exhibits A and B.

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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the CMRS Providers' Petition for Rehearing and/or Clarification of Certain Aspects of the Commission's Order was served on the parties listed below by electronic mail (as indicated) and by depositing in the United States mail, first class and postage prepaid, on the 22nd day of January, 2007.

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**CMRS CONFORMED ICA**

**INTERCONNECTION AGREEMENT FOR TRANSPORT  
AND TERMINATION OF TRAFFIC  
CMRS-LEC AGREEMENT**

Between

ABC Telephone Company, Inc.

and

CMRS Provider

## Table of Contents

### INTRODUCTION

### RECITALS

- 1.0 Definitions
- 2.0 Interpretation and Construction
- 3.0 Scope
- 4.0 Service Agreement
  - 4.1 Methods of Interconnection
  - 4.2 Service Arrangements
  - 4.3 Signaling
  - 4.4 Dialing Parity
- 5.0 Compensation Arrangements
  - 5.1 Subject Traffic
  - 5.2 Rate Structure
  - 5.3 Non-Recurring Charges
  - 5.4 Inter-MTA Traffic
  - 5.5 Traffic Distribution
- 6.0 Notice of Changes
- 7.0 General Responsibilities of the Parties
- 8.0 Effective Date, Term, and Termination
- 9.0 Cancellation Charges
- 10.0 Indemnification
- 11.0 Limitation of Liability
- 12.0 Compliance with Laws and Regulations
- 13.0 Disclaimer of Representations and Warranties
- 14.0 Miscellaneous
  - 14.1 Authorization
  - 14.2 Disclaimer of Agency; No Third Party Beneficiaries; Independent Contractor
  - 14.3 Force Majeure
  - 14.4 Treatment of Proprietary and Confidential Information
  - 14.5 Choice of Law
  - 14.6 Taxes
  - 14.7 Assignability
  - 14.8 Billing and Payment; Disputed Amounts
  - 14.9 Dispute Resolutions
  - 14.10 Notices
  - 14.11 Joint Work Product
  - 14.12 No License
  - 14.13 Survival
  - 14.14 Entire Agreement
  - 14.15 Non-Waiver
  - 14.16 Publicity and Use of Trademarks or Service Marks
  - 14.17 Severability
  - 14.18 Counterparts
  - 14.19 Modification, Amendment, Supplement, or Waiver
  - 14.20 Change in Law

### APPENDIX A

### APPENDIX B

INTERCONNECTION AGREEMENT  
FOR TRANSPORT AND TERMINATION OF-TRAFFIC  
(CMRS-LEC AGREEMENT)

Pursuant to this CMRS-LEC Interconnection Agreement for Transport and Termination of Traffic, ABC Telephone Company, Inc. ("LEC") and CMRS Provider ("CMRS Provider") will extend certain network arrangements to one another as specified below.

Recitals

WHEREAS, CMRS Provider is a Commercial Mobile Radio Services ("CMRS") provider licensed by the Federal Communications Commission ("FCC") to provide CMRS; and

WHEREAS, LEC is a Local Exchange Carrier ("LEC") providing telecommunications services in the Commonwealth of Kentucky; and

WHEREAS, the Parties desire to interconnect their respective CMRS and LEC network facilities pursuant to Sections 251/252 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 for the purpose of delivery of specific traffic for transport and termination on the other Party's network; and

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations and the terms and conditions under which they will interconnect their networks and provide services as set forth herein.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEC and CMRS Provider hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. Any term used in this Agreement that is not specifically defined shall have the meaning ascribed to such term in the Communications Act of 1934, as amended. If no specific meaning exists for a specific term used in this Agreement, then normal usage in the telecommunications industry shall apply.

1.1 "Act" means the Communications Act of 1934, as amended.

1.2 "Affiliate" is As Defined in the Act.

1.3 "Agreement" means this Interconnection Agreement for Transport and Termination of Traffic (CMRS-LEC Agreement), together with all appendices, exhibits, schedules, and other attachments hereto.

1.4 "Central Office Switch" means a switch used by LECs to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switches" which are used to terminate lines from individual stations for the purpose of interconnection to each other and to trunks; and

(b) "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.5 "Commercial Mobile Radio Service" or "CMRS" means Commercial Mobile Radio Service as defined in Part 20 of the FCC's Rules.

1.6 "Commission" means the Kentucky Public Service Commission.

1.7 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis and, unless otherwise agreed by the Parties, the CCIS used by the Parties shall be Signaling System Seven ("SS7").

1.8 "DS1" is a digital signal rate of 1.544 Mbps (MEGA Bits Per Second).

1.9 "DS3" is a digital signal rate of 44.736 Mbps.

1.10 "FCC" means the Federal Communications Commission.

1.11 "Information Service" is as defined in the Act.

1.12 "Interconnection" for purposes of this Agreement refers to the direct or indirect linking of the CMRS Provider and LEC networks at the Interconnection Point for the delivery of traffic pursuant to the terms and conditions of this Agreement.

1.13 "Interconnection Point" or "IP" is a demarcation point on the incumbent network of LEC.

1.14 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.15 "Inter-MTA Traffic" is traffic, that at the beginning of the call, is originated by an end user of one Party in one MTA and is terminated to an end user of the other Party in another MTA.

1.16 "Local Exchange Carrier" or "LEC" is as defined in the Act.

1.17 "Major Trading Area" or "MTA" means Major Trading Area as defined in Section 24.202(a) of the FCC's rules.

1.18 [LEFT BLANK]

1.19 "NXX" means a three-digit code valid within an area code which appears as the first three digits of a seven-digit telephone number with the exception of the special 500, 600, 700, 800, and 900 codes and other similar special codes that may come into common usage in the future.

1.20 "Party" means either LEC or CMRS Provider, and "Parties" means LEC and CMRS Provider.

1.21 "Rate Center" means the specific geographic point ("Vertical and Horizontal" or "V & H" coordinates) and corresponding geographic area which are associated with one or more particular NPA-NXX codes which have been assigned to a LEC for its provision of basic exchange telecommunications services. The "rate center point" is the finite geographic point identified by a specific V & H coordinate which is used to measure distance-sensitive end user traffic to/from the particular NPA-NXX designations associated with the specific Rate Center. The "rate center area" is the exclusive geographic area identified as the area within which the LEC provides basic exchange telecommunications service bearing the particular NPA-NXX designations associated with the specific Rate Center. The use by a CMRS provider of a Rate Center V & H for mobile CMRS services does not necessarily indicate the location of the CMRS mobile user.

1.22 "Subject Traffic," as defined in 47 C.F.R. § 51.701(b)(2), is traffic exchanged between LEC and CMRS Provider that, at the beginning of the call, originates and terminates within the same Major Trading Area. The definition and use of the term "Subject Traffic" for purposes of calculating reciprocal compensation that may be due under this Agreement has no effect on the definition of local traffic or the geographic area associated with local calling under either Party's respective end user service offerings.

1.23 "Telecommunications" is as defined in the Act.

1.24 "Telecommunications Carrier" is as defined in the Act.

1.25 "Termination" is as defined by FCC Regulations.

1.26 "Transport" is as defined by FCC Regulations.

## 2.0 INTERPRETATION AND CONSTRUCTION

2.1 All references to Sections, Exhibits, Appendices, and Schedules shall be deemed to be references to Sections of, and Exhibits, Appendices, and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms are inserted for convenience of references only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including CMRS Provider's, LEC's or other third party offerings, guides or practices), statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

2.2 The Parties acknowledge that some of the services, facilities, or arrangements described herein reference the terms of federal or state tariffs of the Parties. If any provision contained in this main body of the Agreement and any Appendix hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of this Agreement shall prevail. If any provision of this Agreement and an applicable tariff cannot be reasonably construed or interpreted to avoid conflict, the Parties agree that the provision contained in this Agreement shall prevail. This agreement supersedes any prior agreement between the Parties.

2.3 The Parties acknowledge that this Agreement represents their good faith efforts to implement the arbitration order(s) of the Commission in Case No. 2006-[insert specific case #]. Accordingly, the Parties acknowledge that certain portions of this Agreement, including but not limited to the reciprocal compensation rates to be set forth in Appendix B, may be subject to modification at a later date, consistent with applicable Commission or court orders.

### 3.0 SCOPE

3.1 This Agreement sets forth the terms, conditions and prices under which the Parties agree to exchange Subject Traffic and Inter-MTA Traffic.

3.2 Subject Traffic does not include land-to-mobile toll calls that are dialed as 1+ calls and are carried by an IXC or any other toll provider. CMRS Provider will not designate, in industry routing databases, any of its NPA-NXX codes used for its services to CMRS end-users as subtending any LEC tandem for terminating interexchange carrier traffic purposes unless and until LEC has agreed to such arrangement and the Parties have mutually agreed, in writing, upon terms and conditions for such arrangements for terminating interexchange carrier traffic. Regardless, in no event shall LEC have any compensation responsibility to CMRS Provider for any interexchange carrier traffic that may terminate to CMRS Provider. All traffic that LEC originates to, or terminates from, an interexchange carrier will be subject to access charges to be retained by LEC. There will be no sharing of access charge revenue that LEC bills either interexchange carriers or any other carriers that obtain access services from LEC. There will be no access services provided jointly between the Parties pursuant to this Agreement.

3.3. Compensation for the Transport and Termination of Subject Traffic does not apply to land-to-mobile traffic toll calls that are dialed as 1+ calls and are carried by an IXC or any other toll provider, or for non-CMRS traffic. Neither Party shall provide an intermediary or transit traffic function for the other Party's connection of its end users to the end users of a third party telecommunications carrier without the consent of all parties and without the establishment of mutually agreeable terms and conditions governing the provision of the intermediary functions. This Agreement does not obligate either Party to utilize any intermediary or transit traffic function of the other Party or of any third party.

3.4 This Agreement shall not be used by either Party to deliver any other traffic not specifically allowed under this Agreement in this Section 3.0. It will constitute a default of this Agreement for a Party to deliver any traffic other than the traffic that is within the scope of this Agreement as specifically identified in this Section 3.0.

### 4.0 SERVICE AGREEMENT

#### 4.1 Methods of Interconnection.

4.1.1 The Parties agree to interconnect within the incumbent LEC network of LEC at one or more suitable and technically feasible Interconnection Points consistent with the options set forth in this Section 4.1. Interconnection will be provided for switching through an appropriate LEC switching office. The IP(s) will be set forth in Appendix A.

~~4.1.2 Indirect Interconnection. Subject to the conditions set forth in this section 4.1, CMRS Provider shall be permitted to use a third party carrier's facilities for purposes of establishing interconnection indirectly with LEC at the IP(s) and the exchange of traffic that is within the scope of this Agreement between the Parties. The use of a third party carrier by CMRS Provider for such purposes is expressly conditioned on CMRS Provider ensuring that the third party carrier delivers CMRS Provider's traffic to LEC at no charge to LEC, and in such a manner that includes complete and accurate industry standard call records (EMI 11-0101 records) that allow for LEC to independently and adequately measure and identify the type, volume, jurisdiction, and originating carrier of such traffic. If CMRS Provider's traffic is not delivered to LEC in such a manner and with such records, CMRS Provider shall be required to establish dedicated trunks with LEC pursuant to the notice and implementation process described in Section 4.1.3 (just as though the threshold established in Section 4.1.3 had been met), and CMRS Provider shall (consistent with the terms of Section 4.1.5) discontinue delivering any traffic via such third party carrier. CMRS Provider shall be responsible for the payment to any third party carrier for any charges associated with the Indirect Interconnection scenario contemplated herein and with any functions provided by the third party that allows for the exchange of traffic between the Parties as contemplated herein.~~

**4.1.2 Indirect Interconnection. All Subject Traffic not exchanged via direct interconnection shall be exchanged indirectly through one or more third party networks that is directly interconnected with LEC's network at an IP. Traffic exchanged indirectly will be subject to the compensation stated in Appendix B. Each Party shall be responsible for (a) all transit charges, if any, generated by calls originated on its network, and (b) all costs of the facilities linking its own switch(es) to the third party's network.**

~~4.1.3 The Indirect Interconnection arrangement described in section 4.1.2, above, shall only be available to CMRS Provider so long as: (i) the total volume of traffic exchanged (pursuant to the terms of this Agreement) between CMRS Provider and LEC does not exceed the reasonable operating capacity of a DS1; and (ii) the intermediary third party carrier provides LEC with adequate verification, as described in Section 4.1.2, of the jurisdictional nature and rating of calls transited through the third party carrier. For purposes of establishing the reasonable operating capacity threshold, if the total monthly volume of traffic exchanged between the Parties exceeds 216,000 minutes of usage for three (3) consecutive months a dedicated trunk group shall be required for the exchange of traffic pursuant to this Agreement, and such trunk group shall be established pursuant to the terms and conditions set forth in Section 4.1.4, below.~~

**4.1.3 The Parties will establish dedicated interconnection facilities if the transit carrier used by the Parties does not provide information that would allow accurate bills to be issued, and the use of dedicated facilities would provide additional jurisdictional and rating information. As of the effective date of this Agreement, LEC is receiving traffic on common trunks and is receiving information from the transit provider that allows it to render accurate bills. Any dispute regarding the need for dedicated connections shall be resolved by the Commission pursuant to the Dispute Resolution provision of this Agreement. This subsection does not apply if Subject Traffic between the Parties is less than the capacity of a DS1. In addition to the foregoing, the Parties will establish dedicated interconnection facilities when Subject Traffic between them exceeds a DS1 level.**



~~4.1.4 Direct Interconnection. When the total monthly volume of traffic being exchanged meets the threshold set forth in section 4.1.3, above, either Party may provide written notification to the other Party that a dedicated trunk group(s) is required, and the Parties agree to establish such a dedicated trunk group(s) for connection at the IP(s) as follows: (i) within thirty (30) days of either Party receiving notification, CMRS Provider shall either (a) order dedicated interconnection trunks from any carrier that may connect with LEC at the IP(s), or (b) establish physical network interconnection directly at the IP(s); (ii) where two-way trunk groups are established to exchange traffic that is the subject of this Agreement, the Parties will coordinate the provisioning and quantity of trunks; and (iii) both Parties shall provide commercially reasonable resources to support normal installation intervals for the dedicated interconnection trunks. The Parties may interconnect the dedicated facilities on either a one-way or two-way trunk basis. At the request of CMRS provider, LEC will provide for two-way trunking for the dedicated facilities. In no case shall LEC be responsible for any facilities outside of its incumbent LEC service area. Consistent with Section 5.2, for two-way facilities, LEC shall provide the two-way trunking within its service area and shall charge CMRS Provider at intrastate special access rates for such facilities connecting from the IP(s) to the LEC tandem, and such charges shall be reduced to reflect the portion of Subject Traffic originated by LEC to total two-way usage. For one-way facilities, LEC shall be responsible for the one-way facilities to meet CMRS Provider at the IP(s) within the incumbent service area of LEC for one-way trunks used for originating LEC traffic, and CMRS Provider shall be responsible for the one-way facilities to the LEC tandem for the one-way trunks used for originating CMRS Provider traffic.~~

#### 4.1.4 Direct Interconnection

4.1.4.1 Either Party may elect to provision one-way direct interconnection facilities for the delivery of its originated traffic to the terminating Party's network. In that event, the originating Party will be responsible for 100% of the recurring and non-recurring costs associated with those facilities.

4.1.4.2 At CMRS Provider's request, the Parties will provide two-way direct interconnection facilities between their networks with each Party being responsible for the recurring and non-recurring facility costs based upon each Party's respective proportionate use of the facilities used to deliver traffic originated on that Party's networks. In the absence of actual measured traffic, the traffic factors provided for in Appendix A will be used to determine each Party's proportionate use of the facilities for these purposes. Each Party's direct interconnection facilities shall be physically connected with the other's on LEC's network.

4.1.4.3 To the extent that the LEC provisions all, or part, of the two-way facilities, the facilities cost will be based on LEC's effective intrastate access tariff for connecting facilities. The CMRS Provider will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.

4.1.4.4 To the extent the CMRS Provider provisions all or part of those facilities, the facilities costs will be based on the actual rates charged by or to the CMRS Provider. The LEC will be responsible only for its proportionate share of those costs as set forth in 4.1.4.2 above.

4.1.5 Neither Party shall deliver third-party traffic over a dedicated facility established pursuant to this section.

4.2 Service Arrangement. This Agreement provides for the following arrangements between the Parties for the purpose of delivery by one Party of specific traffic for Transport and Termination on the other Party's network.

4.2.1 The service arrangement involves trunk side connection for switching through a LEC switching office. This Agreement does not apply to, and the trunk service arrangement cannot be used for traffic originated or terminated on third party networks.

4.2.1.1 For traffic terminating on LEC, the trunk service arrangement may be used by CMRS Provider to deliver traffic only for termination to valid NXX codes associated with LEC end offices that subtend the specific tandem office to which the trunk interconnection is made.

4.2.1.2 Based on the specific LEC local service area of the originating LEC end user, the trunk service arrangement may be used by LEC to deliver traffic only to designated NPA-NXXs of CMRS Provider for which the associated rate center (as determined by V&H coordinates) is within the specific LEC local service area of the originating LEC end user.

4.2.1.3 The delivery of traffic pursuant to Subsections 4.2.1.1 and 4.2.1.2 does not create legal or regulatory obligations for either Party that do not otherwise apply pursuant to applicable law.

4.3 Signaling.

4.3.1 When direct interconnection trunks are established, SS7 connectivity will be provided, and all SS7 signaling parameters shall be delivered, in accordance with prevailing industry standards. The Parties agree to cooperate on the exchange of all appropriate SS7 messages for originating carrier identification, local call set-up, including ISDN User Part ("ISUP") and Transaction Capability User Part ("TCAP") messages to facilitate full interoperability of all CLASS features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as database queries) will be jointly negotiated and agreed upon. Each Party will honor all Privacy Indicators as required under applicable law. CMRS Provider must interconnect, directly or indirectly, with the LEC's Signal Transfer Points ("STPs") serving the area in which Subject Traffic and Inter-MTA Traffic will be exchanged. CMRS Provider may choose a third-party SS7 signaling provider to transport signaling messages to and from LEC's SS7 network.

4.3.2 For indirect interconnection, each party shall populate all SS7 message fields in accordance with industry standards.

4.3.3 For purposes of exchanging SS7 messages with respect to the traffic that is within the scope of this Agreement, neither Party shall assess SS7 message charges or tariffed SS7 charges on the other Party. Any use by either Party of the other Party's SS7 network or SS7 service functionality, beyond the simple sending of SS7 messages as set forth in this Section 4.3, is outside the scope of this interconnection agreement.

~~4.4 Dialing Parity. The Parties shall comply with Local Dialing Parity and Toll Dialing Parity as required by applicable law. When a CMRS Provider end-user has a telephone number that is assigned (as recorded in the Local Exchange Routing Guide) to a ratecenter within the non-optional local calling area of LEC's originating end-user, LEC shall provide local dialing and rating parity for calls originated by its end-user(s) to such telephone number(s) of CMRS Provider end-user(s).~~

**4.4 Dialing Parity. LEC will ensure that its customers can make calls to CMRS Providers' customers' numbers in local and EAS exchanges without dialing extra digits or paying extra charges.**

## 5.0 COMPENSATION ARRANGEMENTS

5.1 Subject Traffic. Each Party shall pay the other Party for Transport and Termination of Subject Traffic that either Party delivers to the other Party's network pursuant to the provisions of this Agreement. The Parties agree that LEC will not provide any compensation to CMRS Provider for traffic associated with one-way CMRS, including paging services, provided by CMRS Provider.

5.2 Rate Structure. An IP(s) will be established between the Parties' networks as specified in Appendix A for the delivery of traffic described in Section 3.1. When the Parties establish dedicated two-way trunking facilities pursuant to Section 4.1, CMRS Provider shall obtain special access from LEC for the purpose of connection between the IP(s) and LEC's applicable tandem office. These connecting facilities are set forth in Appendix A. LEC will charge special access from the applicable LEC intrastate access tariff for the tandem connecting facilities within the incumbent LEC service area of LEC. Special access charges for the connecting facilities will be reduced, as specified in Appendix B, to reflect the proportionate share of the total usage of the facilities that is related to Subject Traffic originated by LEC. ~~For any specific IP, a single, combined, per minute rate, as specified in Appendix B, will apply which encompasses total compensation for Transport, call Termination and any other facilities utilized to terminate Subject Traffic on the other Party's respective network.~~

5.3 Non-Recurring Charges. CMRS Provider agrees to the non-recurring fees as set forth in Appendix B for the establishment of or any additions to, or added capacity for, special access connecting facilities. Any such non-recurring charges for the connecting facilities will be reduced, as specified in Appendix B, to reflect the proportionate share of the total usage of the facilities that is related to Subject Traffic originated by LEC.

5.4 Inter-MTA Traffic. The specific compensation arrangements set forth in this Agreement for Subject Traffic are not applicable to Inter-MTA Traffic. CMRS Provider will provide compensation to LEC for terminating Inter-MTA Traffic according to the terms and conditions of LEC's applicable federal and state access tariffs. The Parties will apply the percent usage factors for the relative amounts of Inter-MTA Traffic (compared to Subject Traffic) as set forth in sections 3 and 4 of Appendix A. The Parties recognize that the Inter-MTA traffic may be both Interstate and Intrastate in nature. For the Inter-MTA traffic, the Parties will use mutually accepted Interstate and Intrastate factors as specified in Appendix A. Interstate access charges will apply to the percentage of Inter-MTA Traffic that is interstate in nature; intrastate access charges will apply to the percentage of Inter-MTA Traffic that is intrastate in nature.

~~5.5 Billing. Subject to Section 4, above, and consistent with the terms of this section 5.5, either Party may measure or utilize industry standard records (EMI 11-0101 records) to determine the amount of traffic within the scope of this Agreement that either Party terminates on its network. The Parties intend to utilize actual terminating measurement of usage, where available, for purposes of billing pursuant to this Agreement.~~

**5.5 To the extent a Party has the ability to adequately measure, bill and verify terminating traffic, the Party may utilize its own actual terminating measurement of usage for purposes of billing pursuant to this Agreement. In addition, either party may obtain industry-standard records (e.g. EMI 11-01-01 records). However, in the event that CMRS Provider may not be capable of measuring traffic, then the Parties agree to use the default percentages set forth in Section 2 of Appendix A for the application of charges pursuant to this Agreement.**

~~5.5.1 Dedicated Interconnection.~~

~~5.5.1.1 When the Parties have established dedicated trunk group(s) for the exchange of traffic this is within the scope of this Agreement, and either one Party or both Parties have actual measurement of such traffic either in one direction or both directions, then such actual available measurement, subject to the audit process set forth in this Agreement, shall be used for billing purposes for that portion of the traffic exchanged in one direction or in both directions for which there is actual measurement available.~~

~~5.5.1.2 When the Parties have established dedicated trunk group(s) for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land relative to Land-to-Mobile traffic that will be used for billing purposes for traffic exchanged over the dedicated facilities in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.~~

~~5.5.1.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.~~

~~5.5.1.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.~~

**5.5.1 [LEFT BLANK]**

~~5.5.2 Indirect Interconnection.~~

~~5.5.2.1 When the Parties utilize an indirect arrangement without the use of a dedicated trunk group, the Parties shall, for billing purposes, utilize: (i) the industry standard usage records (EMI 11-0101 records) of the intermediary third-party carrier for either traffic terminating to ABCx, traffic terminating to DEFx, or both; or (ii) actual measurement of terminating usage, when available for either traffic terminating to ABCx, traffic terminating to DEFx, or both.~~

~~5.5.2.2 Where the Parties utilize an indirect arrangement for the exchange of traffic that is within the scope of this Agreement, and neither Party has actual measurement of such traffic either in one direction or in both directions, then the Parties will develop mutually acceptable and representative percent usage factors for the amount of Mobile-to-Land relative to Land-to-Mobile traffic exchanged via the indirect arrangement that will be used for billing purposes in conjunction with any actual measurement of traffic that may be available to the Parties. Such usage factors shall be set forth in Appendix A.~~

~~5.5.2.3 To the extent that the Parties cannot mutually agree on representative factors and/or the application of those factors to available actual measured minutes of use and the resulting billing based on those factors, any dispute regarding representative factors and the resulting billing process shall be resolved pursuant to the dispute resolution process described in this Agreement.~~

~~5.5.2.4 In those situations where the total amount of mobile-to-land traffic terminated on the network of ABCx is measured, but the amount of land-to-mobile traffic terminated on the network of DEFx is not measured, then ABCx shall bill DEFx based on measured terminating usage, and the amount to be billed by DEFx to ABCx shall be based on the relative percentage factors set forth in Appendix A. Under this arrangement where the factors are applied to determine the amount that DEFx is to bill ABCx, the Parties shall mutually agree as to whether separate bills shall be prepared and sent by both Parties or whether ABCx shall prepare a bill which nets the charges between the Parties.~~

### **5.5.2 [LEFT BLANK]**

~~5.5.3 Development of Traffic Factors. The Parties will work together to develop measurement and usage information which shows, for the traffic exchanged between the Parties pursuant to this Agreement, the relative amounts of Mobile-to-Land and Land-to-Mobile traffic representative of the actual amounts of traffic exchanged between the Parties pursuant to this Agreement either via the indirect interconnection arrangement or the dedicated trunking arrangement. To the extent that measurement and usage information available on an ongoing basis indicates that a change in the Mobile-to-Land and Land-to-Mobile factors is necessary such that the factors are representative of the actual amounts of traffic exchanged between the Parties, such change shall be made consistent with this information, and Appendix A shall be amended to reflect these new percentages. In the event of a dispute regarding any adjustment to the factors, the dispute shall be resolved by the Commission.~~

### **5.5.3 [LEFT BLANK]**

5.5.4 Audits. Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") records for the purposes of evaluating the accuracy of the Audited Party's bills and compliance with the terms and conditions of this Agreement. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if an immediately preceding audit found net inaccuracies having an aggregate value of at least \$50,000 in favor of the Auditing Party. Each Party shall cooperate fully in any such audit, providing reasonable access to any and all records reasonably necessary to assess the accuracy of the Audited Party's bills and compliance with the terms and conditions of this Agreement.

## 6.0 NOTICE OF CHANGES

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party. In the event that the provision of ninety (90) days notice is not possible, the Party making the change shall provide notification within ten (10) business days after the determination to make the network change.

## 7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

7.1 The parties will exchange traffic and volume forecasts once per year as necessary for the Parties' planning of interconnection facilities and trunking capacity. The form of such forecasts will be mutually determined by the Parties.

7.2 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering of such traffic it receives in that mutually acceptable format and to terminate the traffic it receives in that mutually acceptable format to the proper address on its network. Such facility shall be designed based upon the description provided under Section 4.0 above. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.

7.3 Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's Customers, and subject to notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.

7.4 The characteristics and methods of operation of any circuits, facilities or equipment of one Party connected with the services, facilities or equipment of the other Party 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; or cause damage to the other Party's plant, impair the privacy of any communications carried over the facilities or create hazards to the employees of the other Party, its affiliated companies, or its connecting and concurring carriers or the public.

7.5 If such characteristics or methods of operation are not in accordance with the preceding paragraph, either Party will notify the other Party that temporary discontinuance of the circuit, facility or equipment may be required; however, when prior notice is not practicable, either Party may forthwith temporarily discontinue the use of a circuit, facility or equipment if such action is reasonable under the circumstances. In such case of temporary discontinuance, either Party will notify the other Party immediately by telephone and provide the other Party with the opportunity to correct the condition that gave rise to the temporary discontinuance. No allowance for interruption will be applicable.

7.6 Each Party is solely responsible for the services it provides to its customers and to other telecommunications carriers.

7.7 Each Party is responsible for administering NXX codes assigned to it.

7.8 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g., workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage of bodily injury for property damage. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self-insurance).

7.9 [LEFT BLANK]

## 8.0 EFFECTIVE DATE, TERM, AND TERMINATION

8.1 This Agreement shall become effective on January 1, 2007 and shall terminate on December 31, 2008 (the "Initial Term"). When the Agreement becomes effective, the provisions contained in Section 2.0 of this Agreement shall apply with respect to the interpretation and construction of this Agreement and its ongoing relation to other references.

8.2 After the Initial Term, this Agreement shall then automatically renew on a year-to-year basis. Upon expiration of the initial term or any subsequent term, either Party may terminate this Agreement by providing written notice of termination to the other Party, with such written notice to be provided at least sixty (60) days in advance of the date of termination of the then-existing term.

8.2.1 Post-Termination Arrangements. Upon the termination or expiration of this Agreement pursuant to Section 8.2 above, and upon the written request of either Party, this Agreement shall remain in full force and effect until a replacement agreement has been executed by the Parties either (a) under an agreement voluntarily executed by the Parties; (b) under a new agreement arrived at pursuant to the provisions of the Act; or (c) under an agreement available to and requested by CMRS Provider according to the provisions of Section 252(i) of the Act, but in no case will the existing service arrangements continue for longer than twelve (12) months following the date on which notice of termination is provided, except that the Agreement will remain in place beyond the twelve (12) month period to the extent, and for the period, that the Parties are engaged in lawful arbitration pursuant to the Act.

8.3 Upon termination or expiration of this Agreement in accordance with this Section:

- (a) each Party shall comply immediately with its obligations set forth above;
- (b) each Party shall promptly pay all undisputed amounts (including any late payment charges) owed under this Agreement;

(c) each Party's indemnification obligations shall survive termination or expiration of this Agreement.

8.4 The arrangements pursuant to this Agreement including the provision of services or facilities shall immediately terminate upon the suspension, revocation or termination by other means of either Party's authority to provide services. For LEC, authority involves the provision of local exchange or exchange access services. For CMRS Provider, authority involves the provision of CMRS services under license from the Federal Communications Commission.

8.5 [LEFT BLANK]

8.6 Default

8.6.1 Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of written notice thereof. Such default notice shall be posted by overnight mail, return receipt requested.

8.6.2 If the defaulting Party disputes the aggrieved Party's default notice, the Parties may, by mutual agreement, resolve the disagreement pursuant to the processes set forth in Section 14.9 ("Dispute Resolution"). Notwithstanding the foregoing, the aggrieved Party retains the right to, without delay and without participating in the dispute resolution process pursuant to Section 14.9, immediately pursue any available legal or regulatory remedy to resolve any question regarding the alleged default or the aggrieved Party's announced termination of the Agreement.

8.6.3 Default is defined to include:

(a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or

(b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation of any of the material terms and conditions of this Agreement.

(c) A Party's failure to pay undisputed amounts on the dates or at times specified for the facilities and services furnished pursuant to this Agreement.

8.6.4 In any event, no Party shall terminate the services and facilities arrangements or discontinue the termination of traffic under this Agreement without express authorization from an appropriate government agency authorizing such discontinuation or without a decision from a court of competent jurisdiction granting the right to discontinue the services under this Agreement.

9.0 [LEFT BLANK]

10.0 INDEMNIFICATION



10.1 Each Party agrees to release, indemnify, defend and hold harmless the other Party from and against all losses, claims, demands, damages, expenses, suits or other actions, or any liability whatsoever related to the subject matter of this Agreement, including, but not limited to, costs and attorneys' fees (collectively, a "Loss"), (a) whether suffered, made, instituted, or asserted by any other party or person, relating to personal injury to or death of any person, defamation, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, arising during the term of this Agreement and to the extent proximately caused by the acts or omissions of the indemnifying Party, regardless of the form of action, or (b) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out of the other Party's provision of services to the indemnifying Party under this Agreement. Notwithstanding the foregoing indemnification, nothing in this Section 10.0 shall affect or limit any claims, remedies, or other actions the indemnifying Party may have against the indemnified Party under this Agreement, any other contract, regulations or laws for the indemnified Party's provision of said services.

10.2 The indemnification provided herein shall be conditioned upon:

(a) The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.

(b) The indemnifying Party shall have sole responsibility to defend any such action with counsel reasonably acceptable to the indemnified Party, provided that the indemnified Party may engage separate legal counsel at its sole cost and expense.

(c) In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party, which consent shall not be unreasonably withheld.

(d) The indemnified Party shall, in all cases, assert any and all provisions in its Tariffs or customer contracts that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

(e) The indemnified Party shall offer the indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

10.3 A Party may, in its sole discretion, provide, in its Tariffs and contracts with its End Users and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to the End User or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such loss and (ii) consequential damages. To the extent that a Party (First Party) elects not to place in its tariffs or contracts such limitations of liability, and the other Party (Second Party) incurs a loss as a result thereof, the First Party shall, except to the extent caused by the Second Party's gross negligence or willful misconduct, indemnify and reimburse the Second party for that portion of the loss that would have been limited had the First Party included in its tariffs and contracts the limitations of liability that the Second party included in its own tariffs at the time of such loss.

## 11.0 LIMITATION OF LIABILITY

11.1 Except in the instance of harm resulting from an intentional or grossly negligent action of one Party, the Parties agree to limit liability in accordance with this Section 11. The liability of either Party to the other Party for damages arising out of failure to comply with a direction to install, restore or terminate facilities; or out of failures, mistakes, omissions, interruptions, delays, errors or defects occurring in the course of furnishing any services, arrangements or facilities hereunder shall be determined in accordance with the terms of the applicable tariff(s) of the providing Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro rata monthly charge for the affected facility or service for the period in which such failures, mistakes, omissions, interruptions, delays, errors or defects occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects.

11.2 Neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for punitive, exemplary, indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits (collectively, "Consequential Damages"), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including, without limitation, negligence of any kind, even if the other Party has been advised of the possibility of such damages; provided, that the foregoing shall not limit a Party's obligation under Section 10.

11.3 The Parties agree that the liability to each other's customers shall be governed by the provisions of Section 10.3. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship between the Party providing the service and the customers of the Party purchasing the service. In the event of a dispute involving both Parties with a customer of one Party, both Parties shall assert the applicability of any limitation on liability to customers that may be contained in either Party's applicable tariff(s) or customer contracts.

## 12.0 COMPLIANCE WITH LAWS AND REGULATIONS

12.1 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. Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

12.2 The Parties understand and agree that this Agreement will be filed with the Commission. The Parties reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the Agreement. Further, this Agreement is subject to change, modification, or cancellation as may be required by a regulatory authority or court in the exercise of its lawful jurisdiction. Notwithstanding these mutual commitments, the Parties nevertheless enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related specifically to this Agreement or other types of arrangements prescribed in this Agreement.

## 13.0 DISCLAIMER OF REPRESENTATION AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

#### 14.0 MISCELLANEOUS

##### 14.1 Authorization

14.1.1 LEC is a **[insert entity type]** duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

14.1.2 CMRS Provider is a **[insert entity type]**, duly organized, validly existing and in good standing under the laws of the **[insert state of organization]** and has a full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

##### 14.2 Disclaimer of Agency; No Third Party Beneficiaries; Independent Contractor

Neither this Agreement, nor any actions taken by either Party, in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between the Parties, or any relationship. Neither this Agreement, nor any actions taken by either Party in compliance with this Agreement, shall create an agency, or any other type of relationship or third party liability between the Parties or between either Party and the customers of the other Party. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

##### 14.3 Force Majeure

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the affected Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease.

##### 14.4 Treatment of Proprietary and Confidential Information

14.4.1 Both Parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including, but not limited to, trade secrets, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data, call detail records and like information (hereinafter collectively referred to as "Proprietary Information"). Proprietary Information shall remain the property of the disclosing Party. Both Parties agree that all Proprietary Information shall be in writing or other tangible form and clearly marked with a confidential, private or proprietary legend and that the Proprietary Information will be returned to the owner within a reasonable time upon request of the disclosing party. Both Parties agree that the Proprietary Information shall be utilized by the non-disclosing Party only to the extent necessary to fulfill the terms of this Agreement or upon such terms and conditions as may be agreed upon between the Parties in writing, and for no other purpose. Both Parties agree to receive such Proprietary Information and not to disclose such Proprietary Information. Both Parties agree to protect the Proprietary Information received from distribution, disclosure or dissemination to anyone except employees and duly authorized agents of the Parties with a need to know such Proprietary Information and which employees and agents agree to be bound by the terms of this Section. Both Parties will use the same standard of care, which in no event shall be less than a reasonable standard of care, to protect Proprietary Information received as they would use to protect their own confidential and proprietary information.

14.4.2 Notwithstanding the foregoing, both Parties agree that there will be no obligation to protect any portion of the Proprietary Information that is either: 1) made publicly available by the owner of the Proprietary Information or lawfully disclosed by a non-party to this Agreement; 2) lawfully obtained from any source other than the owner of the Proprietary Information; 3) publicly known through no wrongful act of the receiving Party; 4) previously known to the receiving Party without an obligation to keep it confidential; 5) required to be disclosed by any governmental authority or applicable law; or 6) approved for release by written authorization of the disclosing Party.

14.4.3 Upon termination of this Agreement, the Parties shall: (i) destroy all Proprietary Information of the other party that remains in its possession; and (ii) certify the completion of such activity in writing to the other Party, within thirty (30) calendar days.

14.5 Choice of Law. The construction, interpretation, enforcement and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Kentucky without regard to its conflict of laws principles.

#### 14.6 Taxes

Any Federal, state or local excise, license, sales, use, or other taxes or tax-like charges (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The Party obligated to collect and remit taxes shall do so unless the other Party provides such Party with the required evidence of exemption. The Party so obligated to pay any such taxes may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The Party obligated to collect and remit taxes shall cooperate fully in any such contest by the other Party by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest.

#### 14.7 Assignability

Upon prior written notice, either Party may assign this Agreement to an entity with which it is under common ownership and/or control. Either Party may assign this Agreement to a third party upon at least sixty (60) days prior written notice and with the other Party's prior written consent, which consent shall not be unreasonably withheld. The non-assigning Party may withhold consent if the proposed non-affiliate third party assignee does not provide the non-assigning Party with sufficient evidence that it has the resources, ability, and authority to satisfactorily perform pursuant to the terms of this Agreement. In either case, this Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

#### 14.8 Billing and Payment; Disputed Amounts

14.8.1 The Parties shall invoice one another on a monthly basis. The billed Party shall pay any invoice, which is not the subject of a valid dispute, in immediately available U.S. funds, within (30) days from the date of the invoice. Billing will be based on traffic measurements or traffic factors as provided in Section 5. If traffic factors are used, LEC shall issue net bills upon CMRS Provider's request.

14.8.2 All charges under this agreement shall be billed within one year from the time the charge was incurred: previously unbilled charges more than one year old shall not be billed by either Party, and shall not be payable by either Party.

14.8.3 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amount it disputes ("Disputed Amount") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party.

14.8.4 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within thirty (30) days after delivery to the Billing Party of notice of the Disputed Amounts, then either Party may file a complaint with the Commission, or any agency of competent jurisdiction or court of competent jurisdiction, to resolve such issues or proceed with any other remedy pursuant to law or equity.

14.8.6 The Parties agree that all negotiations pursuant to this subsection 14.8 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

14.8.7 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

#### 14.9 Dispute Resolution

Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed, in the first instance, by good faith negotiation between the Parties. Should negotiations fail to resolve the dispute in a reasonable time, either Party may initiate an appropriate action at the Kentucky Public Service Commission or a Kentucky judicial forum or the Federal Communications Commission, or any agency of competent jurisdiction or court of competent jurisdiction, or, upon mutual agreement, the Parties may submit their dispute to binding arbitration, pursuant to the then-effective rules of the American Arbitration Association.



14.12.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY THE PARTIES OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

#### 14.13 Survival

The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

#### 14.14 Entire Agreement.

This Agreement and any Exhibits, Appendices, or Schedules which are incorporated herein by this reference, sets forth the entire understanding and supersedes prior agreements between the Parties relating to the subject matter contained herein and merges all prior discussions between them, and neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

14.15 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

#### 14.16 Publicity and Use of Trademarks or Service Marks.

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

#### 14.17 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 the opinion of either Party, 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 that does not materially alter the economic effect of this Agreement on either Party. If replacement language cannot be agreed upon within a reasonable period, either Party may proceed pursuant to the Dispute Resolution provisions of 14.9.

#### 14.18 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

#### 14.19 Modification, Amendment, Supplement, or Waiver

No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

14.20 Change of Law. If any legislative, regulatory, judicial or other government decision, order, determination or action, or any change in law applicable to this Agreement materially affects any material provision of this Agreement, the rights or obligations of either Party herein, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend this Agreement in writing in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to applicable law.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2007.

CMRS Provider

ABC Telephone Company, Inc.

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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



DESIGNATION OF INTERCONNECTION POINT(S)  
AND  
TRAFFIC DISTRIBUTION  
CMRS-LEC AGREEMENT

This Appendix specifies the Interconnection Points ("IPs") pursuant to the Agreement for Interconnection for Transport and Termination of Telecommunications Traffic (CMRS-LEC Agreement) between CMRS Provider ("CMRS Provider") and ABC Telephone Company, Inc. ("LEC") and the relative directionality and distribution of traffic with respect to the connecting facilities associated with each IP as follows:

1. Service Arrangement and Interconnection Point(s) Interconnection.

a. When the Parties are interconnected by means other than dedicated trunks, the IP shall be located at the existing meet-point between LEC and BellSouth or any other third-party who may be delivering CMRS Provider's traffic to LEC.

b. When the Parties are interconnected by means of dedicated trunks, the default IP shall be located at the existing meet-point between LEC and BellSouth or any other third-party who may be delivering CMRS Provider's traffic to LEC. Upon mutual agreement, the Parties may change the location of this default IP.

2. Pursuant to the terms and conditions of Section 5.5.1 and 5.5.2, and to the extent applicable, 5.5 the Parties agree that the relative directionality of the total amount of two-way traffic exchanged between the Parties for traffic within the scope of this Agreement is:

% Mobile-to-Land traffic terminating on LEC's network = xx% [per CMRS proposals]

~~% Mobile-to-Land traffic terminating on LEC's network = To be determined, if applicable %~~  
~~% Land-to-Mobile traffic terminating on CMRS Provider's network = To be determined, if applicable %~~  
xx% [per CMRS proposals]

~~Usage Calculation: To be added, if applicable.~~

3. For the total traffic terminating on LEC's network, the Parties agree to the following distribution of traffic:

% Subject Traffic = 97 %  
% Intrastate Inter-MTA Traffic = 1.5 %  
% Interstate Inter-MTA Traffic = 1.5 %

4. For the total traffic terminating on CMRS Provider's network, the Parties agree to the following distribution of traffic:

% Subject Traffic = 100 %  
% Intrastate Inter-MTA Traffic = 0 %  
% Interstate Inter-MTA Traffic = 0 %

Approved and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

CMRS Provider

ABC Telephone Company, Inc.

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

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

Printed: \_\_\_\_\_

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

Printed: \_\_\_\_\_

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

Pursuant to the Interconnection Agreement for Transport and Termination of Telecommunications Traffic (CMRS-LEC Agreement)

This Appendix specifies the rates for the Transport and Termination of traffic delivered by one Party to the network of the other Party pursuant to the Interconnection Agreement for Transport and Termination of Telecommunications Traffic (CMRS-LEC Agreement) between ABC Telephone Company, Inc. ("LEC") and CMRS Provider ("CMRS Provider") as follows:

**1. CHARGES FOR TRANSPORT, TERMINATION AND TANDEM SWITCHING for Subject Traffic: \$0.xxxx / MOU**

**2. Charges for Access Transport, Access Termination and Access Tandem Switching for Inter-MTA Traffic:**

Current LEC access tariffs in the proper jurisdiction apply.

**3. Special Access Connecting Facilities:**

Pursuant to sections 5.2-5.3 of the Agreement, LEC will charge CMRS Provider special access rates pursuant to LEC's effective intrastate access tariff for the connecting facilities.

LEC will credit CMRS Provider for its portion of special access transport as provided in this Agreement. Approved and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

CMRS Provider

ABC Telephone Company, Inc.

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

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

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



EXHIBIT B TO CMRS PROVIDERS' FILING IN SUPPORT OF CONFORMED AGREEMENT

<u>ILEC</u>	<u>Rate</u>	<u>M-L Traffic</u>		<u>M-L Traffic</u>		<u>M-L Traffic</u>		<u>M-L Traffic</u>			
		<u>Factor With</u>	<u>Cingular</u>	<u>Factor With</u>	<u>Mobile</u>	<u>Factor With</u>	<u>Verizon Wireless</u>	<u>Factor With</u>	<u>Sprint</u>	<u>Factor With</u>	<u>With Alltel</u>
Ballard	\$0.005547	56%-44%		70%-30%		65%-35%		70%-30%		70%-30%	
Brandenburg	\$0.005040	N/A		70%-30%		65%-35%		N/A		N/A	
Coalfields	\$0.009288	N/A		70%-30%		65%-35%		N/A		N/A	
Duo	\$0.005980	N/A		70%-30%		65%-35%		70%-30%		70%-30%	
Foothills	\$0.008175	88%-12%		70%-30%		65%-35%		N/A		N/A	
Logan	\$0.006125	N/A		70%-30%		65%-35%		70%-30%		70%-30%	
Mountain Rural	\$0.008393	N/A		70%-30%		65%-35%		N/A		N/A	
North Central	\$0.009002	N/A		70%-30%		65%-35%		70%-30%		N/A	
Peoples Rural	\$0.007567	N/A		70%-30%		65%-35%		N/A		N/A	
South Central	\$0.004318	73%-27%		70%-30%		65%-35%		N/A		N/A	
Thacker-Grigsby	\$0.009581	N/A		70%-30%		65%-35%		N/A		N/A	
West Kentucky	\$0.007029	58%-42%		70%-30%		65%-35%		70%-30%		70%-30%	