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IDAHO PUBLIC
UTILITIES COMMISSION



October 26, 2007

VIA OVERNIGHT MAIL

Mrs. Jean Jewell
Secretary to the Commission
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

CGS-T-07-02

RE: Local Interconnection Agreement between CenturyTel of the Gem State, Inc. and 360networks (USA) inc.

Dear Mrs. Jewell:

CenturyTel of the Gem State, Inc. ("CenturyTel") hereby submit for approval by the Idaho Public Utilities Commission ("Commission") the enclosed Interconnection and Traffic Exchange Agreement ("Agreement") which provides for interconnection and exchange of traffic between CenturyTel and 360networks (USA) inc. ("360networks"). This agreement was reached through voluntary negotiations without resort to mediation or arbitration and is submitted for approval pursuant to Section 252(e) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("the Act") and the requirements of Idaho Administrative Code, 31.42.01, Rule 408.

Section 252(e)(2) of the Act directs that a state Commission may reject an agreement reached through voluntary negotiations only if the Commission finds that

- the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement, or
- the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity.

CenturyTel respectfully submits that the Agreement provides no basis for either of these findings, and therefore requests that the Commission approve the Agreement expeditiously. First, the Agreement does not discriminate against any other telecommunications carrier because CenturyTel has made the terms of the Agreement available to other carriers. Second, the Agreement is consistent with the public interest as identified in the pro-competitive policies of the State of Idaho, the Commission, the U.S.

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Congress and the Federal Communications Commission. The Agreement will enable the local connection to provide service to, and interconnect with, a greater number of telecommunications customers in Idaho. Expeditious approval of this Agreement will facilitate immediate competition in the telecommunications market.

CenturyTel further requests that the Commission approve this Agreement without a hearing and without allowing the intervention of other parties. Because this Agreement was reached through voluntary negotiations, it does not raise issues requiring a hearing and does not concern other parties not a part of the negotiations. Expeditious approval would further the public interest.

Enclosed are an original and seven copies of this filing as specified in IDAPA 31.01.01(061)(01)(c).

If you have any questions regarding this matter, please contact me per the information included above.

Very truly yours,



Jackie Phillips
Regional Director-Carrier Relations

cc: Michel Singer Nelson (w/o enclosures)

Enclosures

CBS f-07-02

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IDAHO PUBLIC
UTILITIES COMMISSION

TRAFFIC EXCHANGE AGREEMENT

BETWEEN

CENTURYTEL OF THE GEM STATE, INC.

AND

360NETWORKS (USA) INC.

IN THE STATE OF IDAHO

This Traffic Exchange Agreement (the "Agreement") is by and between CenturyTel of the Gem State, Inc. with the address for purposes of this Agreement at 100 CenturyTel Drive, Monroe, Louisiana 71203 ("CenturyTel"), and 360networks (USA) inc. ("360NETWORKS"), in its capacity as a certified Provider of local two-way wireline dial-tone service, with its address for this Agreement at 867 Coal Creek Circle, Suite 160, Louisville, Colorado 80027, (CenturyTel and 360NETWORKS being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Idaho only (the "State").

WHEREAS, connection between Local Exchange Carriers (LECs) is necessary and desirable for the mutual exchange and termination of traffic originating on each LEC's network; and

WHEREAS, the Parties desire to exchange such traffic and related signaling in a technically and economically efficient manner at defined and mutually agreed upon connection points; and

WHEREAS, the Parties wish to enter into an agreement to interconnect their respective telecommunications networks on terms that are fair and equitable to both Parties; and

WHEREAS, Section 251 of the Telecommunications Act of 1996 (the "Act") imposes specific obligations on LECs with respect to the interconnection of their networks;

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, CenturyTel and 360NETWORKS hereby covenant and agree as follows:

ARTICLE I
SCOPE AND INTENT OF AGREEMENT

Pursuant to this Agreement, the Parties will extend certain arrangements to one another within each area in which they both operate within the State for purposes of connection and the exchange of Local Traffic between their respective end-user customers. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. The Parties agree that their entrance into this Agreement is without prejudice to and does not waive any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements and/or matters related to CenturyTel's cost recovery covered in this Agreement. 360NETWORKS agrees to negotiate reciprocal terms and conditions with CenturyTel based on this Agreement.

The services and facilities to be provided to 360NETWORKS by CenturyTel in satisfaction of this Agreement may be provided pursuant to CenturyTel tariffs and then current practices. Should such services and facilities be modified by tariff or by Order, including any modifications resulting from other Commission proceedings, federal court review or other judicial action, and unless otherwise specified herein, such modifications will be deemed to automatically supersede any rates and terms and conditions of this Agreement. The Parties shall cooperate with one another for the purpose of incorporating required modifications into this Agreement.

CenturyTel represents and warrants that it is a "rural telephone company" as that term is defined in the Act, 47 U.S.C. 153. Pursuant to Section 251 (f)(1) of the Act, CenturyTel is exempt from Section 251 (c) of the Act. Notwithstanding such exemption, CenturyTel has entered into and accepted this Agreement for purposes of exchanging local traffic, as defined in Article IV, Section 3 herein, with CLEC. CenturyTel's execution of the Agreement does not in any way constitute a waiver or limitation of CenturyTel's rights under Section 251 (f)(1) or 251 (f)(2) of the Act. Accordingly, CenturyTel expressly reserves the right to assert its right to an exemption or waiver and modification of Section 251 (c) of the Act, in response to other requests for interconnection by CLEC or any other carrier.

ARTICLE II
DEFINITIONS

1. General Definitions.

Except as otherwise specified herein, in case of any interpretation question, the standard definitions in CenturyTel's Section 251 Interconnection agreement template as set forth in Appendix C attached to this Agreement and made a part hereof shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in Appendix C and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.

ARTICLE III
GENERAL PROVISIONS

1. Scope of General Provisions.

Except as may otherwise be set forth in a particular Article or Appendix of this Agreement, in which case the provisions of such Article or Appendix shall control, these General Provisions apply to all Articles and Appendices of this Agreement.

2. Term and Termination.

2.1 Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be for a period of two (2) years from the Effective Date as defined in Section 36 and therefore defined as the "Initial Term". This Agreement shall thereafter automatically renew for successive one (1) year periods (each a "Renewal Term"; the Initial Term and all Renewal Terms are collectively referred to as the "Term"), unless either party provides written notice of cancellation to the other at least ninety (90) days prior to the end of the Initial Term or the Renewal Term, as the case may be.

2.2 Post Termination Arrangements.

Except in the case of termination as a result of either Party's Default under Section 2.3 below, or a termination upon sale, pursuant to Section 2.5, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements may continue:

- (a) As if under this Agreement, if either Party has requested negotiations for a new agreement, (i) until this Agreement has been replaced by a new agreement, or (ii) for up to one hundred eighty (180) calendar days following the date that either Party has given notice, pursuant to Section 2.1, of its desire to terminate this Agreement.
- (b) If this Agreement is not continued pursuant to subsection (a) preceding under (i) a new agreement voluntarily executed by the Parties; (ii) standard terms and conditions approved and made generally effective by the Commission, if any; (iii) tariff terms and conditions made generally available to all Local Providers.

2.3 Termination Upon Default.

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) Days of receipt of written notice thereof. Following a non-defaulting Party's notice to the defaulting Party of its Default, the non-defaulting Party shall not be required to process new service orders until the Default is timely cured. 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 Certificate of Operating Authority has been revoked by the Commission, or
- (c) 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 or conditions of this Agreement.

2.4 Termination Upon Ordering and Implementation Inactivity.

Notwithstanding anything to the contrary contained herein, CenturyTel may terminate this Agreement in the event 360NETWORKS has not (a) placed any initial orders for any of the services to be provided pursuant to this Agreement and (b) implemented any said services to 360NETWORKS customers within one (1) year from the Effective Date of this Agreement.

2.5 Termination Upon Sale.

Notwithstanding anything to the contrary contained herein, a Party may terminate this Agreement as to a specific operating area or portion thereof if such Party sells or otherwise transfers the area or portion thereof to a non-affiliate. The selling or transferring Party shall provide the other Party with at least sixty (60) Business Days' prior written notice of such termination, which shall be effective on the date specified in the notice. Notwithstanding termination of this Agreement as to a specific operating area, this Agreement shall remain in full force and effect in the remaining operating areas.

2.6 Liability Upon Termination.

Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

3. Amendments.

Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.

4. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party, and the other Party being reasonably satisfied that the assignee is able to fulfill the assignor's obligations hereunder.

5. Authority.

Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement. Each Party represents he or she has had the opportunity to consult with legal counsel of his or her choosing and neither Party has relied on the other Party's counsel or on representations by the other Party's personnel not specifically contained in this Agreement, in entering into this Agreement

6. Responsibility for Payment.

CenturyTel may charge 360NETWORKS and 360NETWORKS will pay CenturyTel a deposit before CenturyTel is required to perform under this agreement, if CenturyTel so deems a deposit appropriate after examination of 360NETWORKS's payment and/or credit history. Such deposit will be calculated based on CenturyTel's estimated two-month charges to 360NETWORKS. Deposits may be modified from time to time based on actual billing history and the credit rating of 360NETWORKS. Interest will be paid on the deposit in accordance with state requirements for end user deposits.

7. CLEC Profile.

Before direct connection orders can be taken, the CLEC Profile in the form provided by CenturyTel must be completed by 360NETWORKS and returned to CenturyTel; and, if required, by CenturyTel, an advanced deposit paid. Among other things 360NETWORKS will provide CenturyTel with its Operating Company Number (OCN), Company Code (CC), and Customer Carrier Name Abbreviation (CCNA) as described in the CenturyTel Service Guide. 360NETWORKS agrees to warrant to CenturyTel that it is a certified provider of telecommunications service in the State. 360NETWORKS will document its Certificate of Operating Authority on the CLEC Profile and agrees to promptly update this CLEC Profile as required to reflect its current certification.

8. Contact Exchange.

The Parties agree to exchange and to update contact and referral numbers for order, inquiry, trouble reporting, billing inquiries, and information required to comply with law enforcement and other security agencies of the local, State and Federal governments.

9. Ordering and Electronic Interface.

Manual interface is currently being used for 360NETWORKS to order services, and it includes facsimile orders and E-mail orders in accordance with the CenturyTel Service Guide. Conventional electronic ordering interface is not currently available. If CenturyTel later makes electronic interface ordering available to 360NETWORKS, then the Parties agree that, to the extent practicable, electronic interface will be used by 360NETWORKS for ordering services and manual interface will be discontinued unless this is impracticable.

10. Billing and Payment.

Except as provided elsewhere in this Agreement and where applicable, in conformance with Multiple Exchange Carrier Access Billing (MECAB) guidelines and Multiple Exchange Carriers Ordering and Design Guidelines for Access Services-Industry Support Interface (MECOD), 360NETWORKS and CenturyTel agree to exchange all information to accurately, reliably, and properly order and bill for features, functions and services rendered under this Agreement.

10.1 Back Billing.

Neither Party will bill the other Party for previously unbilled charges for services that were provided longer ago than one (1) year or the applicable Federal or State statute of limitations, whichever is longer.

10.2 Dispute.

If one Party disputes a billing statement issued by the other Party, the billed Party shall notify Provider in writing regarding the nature and the basis of the dispute within thirty (30) business days of the receipt of the bill or the dispute shall be waived, subject to any State regulatory requirements. The Parties shall diligently work toward resolution of all billing issues. Notwithstanding the foregoing, if Provider notifies Party of the unpaid charges the dispute provisions thereof shall prevail.

10.3 Late Payment Charge.

If any undisputed amount due on the billing statement is not received by Provider on the payment due date, Provider shall calculate and assess, and Customer agrees to pay a charge on the past due balance at the lesser of an interest rate equal to the amount of 1½% charge per month, or the maximum nonusurious rate of interest under applicable law. Such late payment charges shall be included on the Provider's next statement.

10.4 Due Date.

Payment is due thirty (30) calendar days from the bill date.

10.5 Audits.

10.5.1 In General

Either Party may conduct an audit of the other Party's books and records pertaining to the Services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing, data and invoicing in accordance with this Agreement. Any audit shall be performed as follows: (i) following at least thirty (30) Business Days' prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party; (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.

10.5.2 Traffic Audits.

On twenty (20) Business Days written notice, each Party must provide the other the ability and opportunity to conduct an annual audit to ensure the proper billing of traffic. CTOC and 360NETWORKS shall retain records of call detail for a minimum of nine months from which a PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audit requests are limited to one (1) per calendar year including and covering Audits per Sections 10.5.1 and 10.5.2. Audits shall be performed by a mutually acceptable independent auditory paid for by the Party requesting the audit. The PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was

completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit either Party is found to have overstated the PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.

11. Binding Effect.

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

12. Capacity Planning and Forecasting.

Within twenty (20) Business Days from the effective date of this Agreement, or as soon after the effective date as practicable, the Parties agree to meet and develop joint planning and forecasting responsibilities which are applicable to, number portability and interconnection services. A Party may delay processing the other Party's service orders should the Parties not perform obligations as specified in this Section 12. Such responsibilities shall include but are not limited to the following:

- 12.1 The Parties will establish periodic reviews of network and technology plans and will notify one another no later than six (6) months in advance of changes that would impact either Party's provision of services.
- 12.2 Each Party will furnish to the other Party information that provides for statewide annual forecasts of order activity, in-service quantity forecasts, and facility/demand forecasts.
- 12.3 The Parties will develop joint forecasting responsibilities for traffic utilization over trunk groups and yearly forecasted trunk quantities as set forth in Article IV.
- 12.4 Each Party shall notify the other Party promptly of changes greater than ten percent (10%) to current forecasts (increase or decrease) that generate a shift in the demand curve for the following forecasting period. A Party's orders that exceed the capacity of that Party's forecast shall only be filled to the extent the requested capacity is Currently Available.
- 12.5 Each Party reserves the right to condition the fulfillment of additional service orders on satisfactory fill rates by the ordering Party in previously ordered capacity, or on payment for all of the additional capacity absent satisfactory fill rates.

13. Compliance with Laws and Regulations.

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

14. Confidential Information.

14.1 Identification.

Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information").

Notwithstanding the foregoing, preorders and all orders for services placed by 360NETWORKS pursuant to this Agreement, and information that would constitute customer proprietary network information of 360NETWORKS end user customers pursuant to the Act and the rules and regulations of the FCC, as well as recorded usage information with respect to 360NETWORKS end users, whether disclosed by 360NETWORKS to CenturyTel or otherwise acquired by CenturyTel in the course of its performance under this Agreement shall be considered Confidential Information.

14.2 Handling.

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

- (a) That all Confidential Information shall be and shall remain the exclusive property of the source;
- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
- (e) To return promptly any copies of such Confidential Information to the source at its request; and
- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

14.3 Exceptions.

These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was already known or received in good faith from a third party, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, was expressly approved for release by written authorization of the disclosing Party, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.

14.4 Survival.

The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of two (2) years from the date of the initial disclosure of the Confidential Information.

15. Consent.

Where consent notice, approval, mutual agreement, or similar action is permitted or required of a Party by any provision of this Agreement, it shall not be conditional, unreasonably withheld, or delayed.

16. Fraud.

Each Party assumes responsibility for all fraud associated with its end-user customers and accounts. Neither Party shall bear responsibility for, nor is it required to investigate or make adjustments to the other Party's account in cases of fraud.

17. Reimbursement of Expenses.

In performing under this Agreement either Party may be required to make expenditures or otherwise incur costs that are not otherwise reimbursed under this Agreement. The Party providing such services shall provide the other Party written notification when cost reimbursement from that Party is expected. The other Party will acknowledge and agree to the estimated cost before the providing Party is entitled to such reimbursement.

18. Dispute Resolution.

18.1 Alternative to Litigation.

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

18.2 Negotiations.

At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

18.3 Arbitration.

If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration. At the election of either Party, arbitration shall be before the Commission. Otherwise, arbitration shall be by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA") except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. If the State Commission is selected as the arbitrator, its arbitration rules shall apply. Otherwise the rules described in part (a) below shall be applicable.

- (a) A Party may demand such arbitration in accordance with the procedures set out in AAA rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause.
- (b) Judgment upon the award rendered by the arbitrator, whether it be the Commission or an AAA or other arbitrator, may be entered in any court having jurisdiction

18.4 Expedited Arbitration Procedures.

If the issue to be resolved through the negotiations referenced in Section 18.2 directly and materially affects service to either Party's end-user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, and if arbitration with the Commission is not selected, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).

18.5 Costs.

Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the reasonable costs of production of documents (including search time and reproduction costs).

18.6 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement. However, during the pendency of any dispute resolution procedures each Party reserves the right not to accept new service orders from the other Party.

19. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

20. Expenses.

Except as applicable in accordance with Section 17, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

21. Force Majeure.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other material change of circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease. It is expressly agreed that financial difficulties of a Party are not subject to this Section.

22. Good Faith Performance.

In the performance of their obligations under this Agreement, the Parties shall act in good faith. In situations in which notice, consent, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be conditional, unreasonably withheld or delayed.

23. Governing Law.

This Agreement shall be governed by and construed in accordance with applicable federal and (to the extent not inconsistent therewith) domestic laws of the state where the services are provided or the facilities reside.

24. Standard Practices.

The Parties acknowledge that CenturyTel shall be adopting some industry standard practices and/or establishing its own standard practices to various requirements hereunder applicable to the CLEC industry which may be added in the CenturyTel Service Guide. 360NETWORKS agrees that CenturyTel may implement such practices to satisfy any CenturyTel obligations under this Agreement.

25. Headings.

The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

26. Independent Contractor Relationship.

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

27. Law Enforcement Interface.

- 27.1 Except to the extent not available in connection with CenturyTel's operation of its own business, CenturyTel shall provide seven day a week/twenty-four hour a day assistance to law enforcement persons for emergency traps, assistance involving emergency traces and emergency information retrieval on customer invoked CLASS services.
- 27.2 CenturyTel agrees to work jointly with 360NETWORKS in security matters to support law enforcement agency requirements for taps, traces, court orders, etc.
- 27.3 Each Party will, in non-emergency situations, inform the requesting law enforcement agencies that the end-user to be wire tapped, traced, etc. is the other Party's Customer and shall refer them to the other Party.

28. Liability and Indemnity.

28.1 Indemnification.

Subject to the limitations set forth in Section 28.4 of this Article III, each Party agrees to release, indemnify, defend, and hold harmless the other Party and its parent and its affiliates and their officers, directors and employees (the "indemnified Party") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.

