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August 26, 2008

CTC-T-08-03

Ms. Jean Jewell
Commission Secretary
IDAHO PUBLIC UTILITIES COMMISSION
472 West Washington Street
Boise, ID 83702

RE: Agreement for Local Resale Service between Citizens Telecommunications Company of Idaho and Ernest Communications, Inc.

Dear Ms. Jewell:

Citizens Telecommunications Company of Idaho ("CTC-Idaho") hereby submits for approval by the Idaho Public Utilities Commission ("Commission") the enclosed "Agreement for Local Resale Service" dated June 1, 2008 ("Agreement"), which provides for the interconnection of Ernest Communications, Inc. (Ernest) with CTC-Idaho. 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

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

CTC-Idaho respectfully submits that the Agreement provides no basis for either of these findings and, thus, requests that the Commission approve the Agreement expeditiously. First, the Agreement does not discriminate against any other telecommunications carrier because CTC-Idaho 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. Congress and the Federal Communications Commission. The Agreement will enable Ernest 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.

CTC-Idaho 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 two copies of this filing as specified in IDAPA 31.01.01(061)(01)(c). Also included is a copy of this letter. Please return the copy of this letter, date-stamped in the enclosed postage-paid envelope.

If you have any questions regarding this matter, please contact me at 801-274-3127 (voice), 801-274-3227 (fax) or ingo.henningsen@frontiercorp.com (e-mail).

Sincerely,

Ingo Henningsen /pap

Ingo Henningsen
Manager, Government & External Affairs

IH:pap

Enclosures

cc: Jenny Smith (w/o enclosures)

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UTILITIES COMMISSION

Agreement Number: 08-ErnestCTCID-000

CTC-T-08-03

AGREEMENT FOR
LOCAL RESALE SERVICE

between

Citizens Telecommunications Company of Idaho

and

Ernest Communications, Inc.

AGREEMENT FOR LOCAL INTERCONNECTION

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ATTACHMENT 1 – INTERCONNECTION

ATTACHMENT 2 – RESALE OF LOCAL SERVICES

ATTACHMENT 3 - PRICING

AGREEMENT FOR LOCAL RESALE SERVICE

This Agreement For Local Resale Service ("Agreement") made this 1st day of June, 2008, is by and between Citizens Telecommunications Company of Idaho, a Delaware corporation, having its principal place of business at 180 South Clinton Avenue, Rochester, New York 14646 ("Frontier") and Ernest Communications, Inc., a Georgia corporation, having its principal place of business at 5275 Triangle Parkway, Suite 150, Norcross, Georgia 30092, ("Ernest"). Frontier and Ernest may also be referred to herein singularly as a "Party" or collectively as "the Parties".

SECTION 1. RECITALS AND PRINCIPLES

Frontier is a telecommunications company authorized to provide telecommunications services in the State of Idaho; and

Ernest is a telecommunications company authorized by the Commission to provide local exchange telecommunications services in the State of Idaho; and

The Parties have in good faith negotiated, and agreed on local Interconnection terms and conditions as set forth below; and

In consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Ernest and Frontier hereby covenant and agree as follows:

SECTION 2. GENERAL DEFINITIONS

Except as otherwise specified herein, the following definitions will apply to all sections contained in this Agreement. Additional definitions that are specific to the matters covered in a particular section may appear in that section.

2.1. Access Services is a service that connects interexchange carriers to their End Users located within a local access and transport area (LATA). Access service is used in originating and terminating intraLATA/interLATA toll telecommunications.

2.2. Access Service Request (ASR) means the industry standard forms and supporting documentation used for ordering Access Services. The ASR will be used to identify the specific trunking and facilities request for Interconnection.

2.3. Act means the Telecommunications Act of 1934, as amended from time to time.

2.4. Automatic Number Identification (ANI) refers to the number transmitted through the network identifying the calling party.

2.5. CLLI Codes means Common Language Location Identifier Codes

2.6 Commission means the governing state regulatory commission, board or authority (PSC, PUC, etc.).

2.7. Competitive Local Exchange Carrier (CLEC) means a telephone company certified by the Commission, for Frontier's franchised area, to provide local exchange service within Frontier's franchised area, and which has a Local Exchange Carrier Tariff approved by the Commission.

2.8. DS1 is a digital signal rate of 1.544 Megabits per second ("Mbps").

2.9. DS3 is a digital signal rate of 44.736 Mbps.

2.10 End User means the ultimate user or consumer of the telecommunications services being sold or resold by either Party.

2.11 End User Location means the physical location of the premises where an End User makes use of the telecommunications services.

2.12 End User Of Record means the entity responsible for placing orders or requests for service; requesting additions, rearrangements, maintenance or discontinuance of service, and making payment in full of charges incurred such as toll, directory assistance, etc.

2.13 Enhanced Services shall refer to services, offered over common carrier transmission facilities, which employ computer processing applications that act on the format, content, code, protocol or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information. In addition and with out limiting the foregoing, internet, information services, voicemail, and so-called "chat line" services are Enhanced Services, of which the voice or TDM component both originates and terminates within the local calling area as defined by Citizens tariffs. If the voice or TDM component does not both originate and terminate within such local calling area, the traffic shall not be covered by this Agreement and shall be subject to interstate or intrastate access tariffs depending on the geographic points of voice or TDM origination and termination.

2.14 Exchange Message Interface (EMI) is the standard used for exchange of telecommunications message information between telecommunications providers for billable, non-billable, sample, settlement and study data. EMI format is contained in ATIS/OBF-EMI-016, an Alliance of Telecommunications Industry Solutions (ATIS) document, which defines industry standards for exchange message records.

2.15 Interconnection in this Agreement is as defined in the Act.

2.16 Internet Service Provider (ISP) Bound Traffic means traffic delivered by a local exchange carrier, indirectly or directly, to a provider of Internet Services, of which the voice or TDM component both originates and terminates within the local calling area as defined by Citizens tariffs. If the voice or TDM component does not both originate and terminate within such local calling area, the traffic shall not be covered by this Agreement and shall be subject to interstate or intrastate access tariffs depending on the geographic points of voice or TDM origination and termination.

2.17 Local Exchange Routing Guide (LERG) is a Telcordia reference document used by carriers to identify NPA-NXX routing and homing information as well as network element and equipment designations.

2.18 Local Traffic shall refer to calls originated by one Party's End Users and terminated to the other Party's End Users within the local exchange area or extended area service toll free calling area as defined in Frontier's tariffs. Local calls must be actually originated by and actually terminated to parties physically located within the same local calling area regardless of the NXX assigned to the calling and called parties. Foreign exchange or foreign exchange like service will be treated as Local Traffic based on the assigned NXX if the Party provides a dedicated channel between the rate center of the assigned NXX and the End User Location.

2.19 Local Service Provider Guide (the "Guide") means the document provided to Ernest by Frontier, included by reference herein, which outlines the process and procedures for ordering and maintaining carrier services. This document may be updated from time to time by Frontier. This document is to be used as reference only and is not a part of this agreement.

2.20 Network Interface Device (NID) is a device that connects the inside wire at the End User Location to a telephone network.

2.21 Point of Interconnection (POI) means the physical location(s) at which the Parties' networks meet for the purpose of exchanging Local Traffic.

2.22 Reciprocal Compensation is as Described in the Act.

2.23 Transit Service is the delivery of certain traffic between Ernest and a third party ILEC, CLEC or CMRS provider by Frontier over a separate trunk group between Ernest and Frontier where appropriate trunks exist between Ernest and third party through Frontier's tandem. The following traffic types will be delivered: (I) Local Traffic originated from Ernest to such third-party and (ii) Local Traffic originated from such third-party to Frontier's tandem and terminated to Ernest.

2.24 A Wire Center is the location of one or more local switching systems, a point at which End Users' loops converge.

2.25 VNXX Traffic The Parties will not pay reciprocal compensation on traffic, including Information Access Traffic, when the traffic does not originate and terminate within the same Frontier Local Calling Area, regardless of the calling and called NPA-NXXs and, specifically, regardless whether an End User Customer is assigned an NPA-NXX associated with a rate center that is different from the rate center where the End User Customer is physically located. This traffic is also known as "VNXX traffic." Frontier's agreement to the terms in this paragraph is without waiver or prejudice to Frontier's position is that it has never agreed to exchange VNXX traffic with Ernest.

SECTION 3. DEPOSIT and ADVANCE PAYMENT REQUIREMENTS

3.1 Frontier may, in order to safeguard its interest, require Ernest to make a deposit to be held by Frontier as a guarantee of the payment of rates and charges, unless satisfactory credit has already been established. Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service. A deposit will be returned with interest, at the Commission prescribed deposit rate, if and when Ernest pays its undisputed bills on time for 24 consecutive months.

3.2 Such deposit may not exceed two (2) months' estimated billing.

3.3 The fact that a deposit has been made in no way relieves Ernest from complying with Frontier's regulations as to advance payments and the prompt payment of bills on presentation nor, does it constitute a waiver or modification of the regular practices of Frontier providing for the discontinuance of service for non-payment of any sums due Frontier.

3.4 Frontier reserves the right to increase the deposit requirements when, in its sole judgment, the conditions justify such action; such conditions include but are not limited to: current deposit does not cover two (2) months billing, history of late payment, or reconnection after disconnection for non-payment, or a significant probability of a bankruptcy filing by Ernest.

3.5 In the event that Ernest defaults on its account, service to Ernest will be terminated and any deposits held will be applied to its account.

SECTION 4. ERNEST ACCOUNT SET UP

4.1 Ernest must provide the appropriate Frontier representative the necessary documentation to enable Frontier to establish a master account for Ernest. Such documentation will include a completed Ernest Master Account Questionnaire, proof of authority to provide telecommunications services within Frontier territory, proof that tariffs are on file and approved by the applicable Commission, and a tax

exemption certificate, if applicable. Frontier will have no obligation to begin taking orders for service until after the necessary documents have been provided to Frontier, and the necessary deposit requirements are met.

SECTION 5. SERVICE TO END USER

5.1 Ernest will be the End User of Record for all services purchased from Frontier. Except as otherwise specified herein, Frontier will only take orders from, bill and expect payment from Ernest for all services. Ernest will be Frontier's single point of contact for all services purchased pursuant to this Agreement.

5.2 Frontier will continue to bill the End User for any services that the End User specifies it wishes to receive directly from Frontier.

5.3 Frontier maintains the right to actively market and serve directly any End User within Frontier's serving area. Frontier will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with End Users of Ernest.

5.4 Service is furnished subject to the condition that it will not be used for any unlawful purpose. Frontier may refuse to provide service to Ernest when it has reasonable grounds to believe that service will be used in violation of the law.

5.5 Service will be discontinued by Frontier if any law enforcement agency advises that the service is being used in violation of the law.

5.6 Frontier may refuse to provide service to Ernest when it has reasonable grounds to believe that service will jeopardize the reliability or efficiency of Frontier's network or interferes with or prevents other persons from using their service, or otherwise impairs the quality of service to other Ernests or to End Users.

5.7 Ernest will be the single point of contact with Frontier for all subsequent ordering activity resulting in additions or changes to services except that Frontier will accept a request directly from the End User for conversion of the End User's service from Ernest to Frontier or will accept a request from another Ernest for conversion of the End User's service from the Ernest to the other Ernest.

SECTION 6. LEFT BLANK FOR FUTURE USE

SECTION 7. AUDIT

7.1 Subject to the terms and conditions of this Section, and the reasonable security requirements of each Party and except as may be otherwise specifically provided in this Agreement, each Party (the "Auditing Party") may audit the other Party's (the "Audited Party") books, records and other documents that relate solely to the Parties' billing to the other Party under this Agreement and to the identification of traffic subject to this Agreement, once each year at the conclusion of each calendar year, in order evaluate the accuracy of such other Party's billing and invoicing. The Parties may employ other persons or firms for this purpose. Such audits shall take place at a time and place agreed to by the Parties no later than thirty (30) days after notice thereof to such other Party.

7.2 Each Audited Party shall use reasonable efforts to promptly correct any billing error that is revealed in an audit, including reimbursing any overpayment in the form of a credit to the Auditing Party on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results. Any disputes concerning audit results shall be resolved pursuant to the Dispute Resolution Section of the General Terms and Conditions of this Agreement.

7.3 Each Audited Party shall cooperate fully in any such audit, providing reasonable access to any such auditors, providing reasonable access to any and all appropriate employees and relevant books, records and other documents reasonably necessary to assess the accuracy of its bills.

7.4 Each Auditing Party may perform a single additional audit of the Audited Party's relevant books, records and documents during any calendar year if the previous audit uncovered incorrect net variances or errors in invoices in favor of the Audited Party having an aggregate value of no less than five percent (5%) of the total amount payable by the Auditing Party during the period covered by the audit.

7.5 All audits shall be conducted at the sole cost and expense of the Auditing Party.

7.6 Upon (i) the discovery by either Party of the overcharges not previously reimbursed to the other Party or (ii) the resolution of disputed audits, each Party shall promptly reimburse to the Party thereto the amount of any overpayment together with interest thereon at a rate of 0.5% per month.

SECTION 8. DISPUTE RESOLUTION

The Parties agree that in the event of a default or any other dispute arising hereunder or in connection herewith, the aggrieved Party shall first discuss the default or dispute with the other Party and seek resolution prior to taking any action before any court or regulator or before authorizing any public statement about or disclosure of the nature of the dispute to any third party. In the event that the Parties are unable to resolve a default or other dispute, the Parties shall then submit the matter to the Commission or another mutually agreed upon mediator for non-binding mediation. If mediation is unsuccessful, recourse may be had by either Party to the Commission, if it has jurisdiction over the breach or dispute or to an appropriate court having jurisdiction over the Parties and the dispute. Each Party shall bear the cost of preparing and presenting its case through all phases of the dispute resolution procedure herein described.

SECTION 9. FORCE MAJEURE

If the performance of the Agreement, or any obligation hereunder is prevented, restricted or interfered with by reason of any of the following:

9.1 Fire, explosion, flood, earthquake, hurricane, cyclone, tornado, storm, epidemic, breakdown of plant or power failure;

9.2 War, revolution, civil commotion, acts of public enemies, terrorism, blockade or embargo;

9.3 Any law, order, proclamation, regulation, ordinance, demand or requirement of any government or any subdivision, authority, or representative of any such government;

9.4 Labor difficulties, such as strikes, picketing or boycotts;

9.5 Delays caused by other service or equipment vendors;

9.6 Any other circumstance beyond the reasonable control of the Party affected;
then the Party affected, upon giving notice to the other Party, will be excused from such performance on a day-for-day basis to the extent of such prevention, restriction, or interference (and the other Party will likewise be excused from performance of its obligations on a performance so prevented, restricted or interfered with); provided that the Party so affected will use reasonable efforts to avoid or remove such causes of nonperformance and both Parties will proceed to perform with dispatch whenever such causes are removed or cease.

SECTION 10. REGULATORY APPROVALS

10.1 This Agreement, and any amendment or modification hereof, will be submitted to the Commission for approval in accordance with Section 252 of the Act. In the event any governmental authority or agency of competent jurisdiction rejects any provision hereof, the Parties shall negotiate promptly and in good faith such revisions as may reasonably be required to achieve approval.

10.2 In the event the FCC or the Commission promulgates rules or regulations, rates or issues orders, or a court with appropriate jurisdiction issues orders, which make unlawful or changes the intent of any provision of this Agreement, the Parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which are consistent with such rules, regulations or orders. In the event the Parties cannot agree on an amendment within thirty (30) days from the date any such rules, regulations or orders become effective, then the Parties shall resolve their dispute under the applicable procedures set forth in the Dispute Resolution Section of this Agreement.

10.3 The Parties acknowledge that terms of this Agreement were established pursuant to FCC and Commission orders. Nothing in this Agreement shall be deemed an admission by the Parties regarding the interpretation or effect of these rules or orders or an admission by either party that the existing rules or order shall not be changed, vacated dismissed or modified.

10.4 The Parties jointly agree to cooperate in the filing of this Interconnection Agreement and share equally the expenses associated with obtaining Commission approval.

SECTION 11. <u>ENTIRE AGREEMENT</u>

This Agreement 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 will 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.

SECTION 12. <u>TERM OF AGREEMENT</u>

12.1 This Agreement will become effective upon the first business day following the date this Agreement has been approved by the Commission and will continue for a period of one (1) year unless terminated earlier under the conditions set forth herein. This Agreement will be automatically renewed for successive periods of six (6) months after the initial term unless either Party provides the other Party with no less than ninety (90) day's prior, written notification of, in the case of Frontier, its intent to terminate this Agreement, or, in the case of either Party, its desire to renegotiate at the end of the initial or any successive period. If Ernest does not respond to Frontier's written notification of the intent to terminate the Agreement prior to the expiration of the Agreement term, the Agreement will terminate and not renew at the end of the Agreement term. Either Party may send a request to renegotiate this Agreement upon its termination and the Parties intend that the negotiation and arbitration processes of the Act will be applicable to such a request. The date of the notice to negotiate a successor agreement will be the starting point for the negotiation window under Section 252 of the Act. The Parties intend that a renegotiated or arbitrated Agreement will be effective as of the date of termination of this Agreement and any new negotiated or arbitrated rates will be subject to true-up as of the termination date of this Agreement.

12.2 Upon termination or expiration of this Agreement each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement.

SECTION 13. <u>LEFT BLANK FOR FUTURE USE</u>

SECTION 14. <u>AMENDMENT OF AGREEMENT</u>

No provision of this Agreement shall be deemed waived, amended or modified by either Party unless such a waiver, amendment or modification is in writing, dated, and signed by both Parties.

SECTION 15. WAIVERS

15.1 No waiver of any provisions of this Agreement and no consent to any default under this Agreement shall be effective unless the same shall be in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed.

15.2 No course of dealing or failure of any Party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.

15.3 Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default.

SECTION 16. INDEPENDENT CONTRACTORS

Each Party agrees that it will perform its obligations hereunder as an independent contractor and not as the agent, employee, or servant of the other Party. Neither Party nor any personnel furnished by such Party will be deemed an employee or agent of the other Party nor be entitled to any benefits available under any plans for such other Party's employees. Each Party will at all times during the term of this Agreement retain full control of the employment, direction, compensation and discharge of all employees as is consistent with and necessary to preserve its independent contractor status. Each Party will be solely responsible for all matters relating to payment of its employees including compliance with social security taxes, withholding taxes, worker's compensation, disability and unemployment insurance, and all other regulations governing such matters.

SECTION 17. LIMITATION OF LIABILITY

17.1 Each Party's liability to the other Party for any loss relating to or arising out of any act or omission in its performance under this Agreement, whether in contract, warranty, strict liability, or tort, including (without limitation) negligence of any kind, shall be limited to the total amount that is or would have been charged to the other Party by such breaching Party for the service(s) or function(s) not performed or improperly performed.

17.2 EXCEPT AS OTHERWISE PROVIDED IN SECTION 17.1, NEITHER PARTY WILL BE LIABLE TO THE OTHER IN CONNECTION WITH THE PROVISION OR USE OF SERVICES PROVIDED UNDER THIS AGREEMENT. NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY LOSS, COST, CLAIM, INJURY, LIABILITY OR EXPENSE, INCLUDING REASONABLE ATTORNEY'S FEES, RELATING TO OR ARISING OUT OF ANY ORDINARY NEGLIGENT ACT OR OMISSION BY A PARTY. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, INCOME OR REVENUE, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, WHETHER SUCH DAMAGES ARISE OUT OF BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY AND WHETHER SUCH DAMAGES WERE FORESEEABLE OR NOT AT THE TIME THIS AGREEMENT WAS EXECUTED.

17.3 No liability shall attach to either Party, its parents, subsidiaries, affiliates, agents, servants or employees for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, termination, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.

17.4 Notwithstanding any other provisions of this Agreement, Ernest shall defend and indemnify Frontier and shall hold Frontier harmless from and against any and all loss alleged to have been incurred by an End User of Ernest or any other third party to the extent such loss arises or is attributable to Ernest's performance or failure to perform.

SECTION 18. INDEMNITY

18.1 Each Party will each defend, indemnity, hold harmless the other Party from any liabilities, claims or demands (including the costs, expenses and reasonable attorney's fees on account thereof) that may be made by third parties for (a) personal injuries, including death, or (b) damage to tangible property resulting from the sole negligence and/or sole willful misconduct of that Party, its employees or agents in the performance of this Agreement. Each Party will defend the other at the other's request against any such liability, claim, or demand. Each Party will notify the other promptly of written claims or demands against such Party of which the other Party is solely responsible hereunder.

18.2 Each Party will each defend, indemnify, hold harmless the other Party and/or acquire any license or right for the benefit of the other Party, arising from any claim, demand or proceeding (hereinafter "Claim") by any third party alleging or asserting that the use of any circuit, apparatus, or system, or other facilities, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Frontiers or Ernest under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party. Each Party's indemnification obligation will be to the extent of infringement by the indemnifying Party

18.3 The indemnified Party will notify the indemnifying Party promptly in writing of any claims, lawsuits, or demands by third Parties for which the indemnified Party alleges that the indemnifying Party is responsible under this Section and if requested by the indemnifying Party, shall tender the defense of such claim, lawsuit or demand.

(1) In the event the indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the indemnified Party may proceed to defend or settle said action and the indemnifying Party shall hold harmless the indemnified Party from any loss, cost, liability, damage and expense.

(2) In the event the Party otherwise entitled to indemnification from the other elects to decline such indemnification, then the Party making such an election may, at its own expense, assume defense and settlement of the claim, lawsuit or demand.

(3) The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.

18.4 Notwithstanding any other provisions of this Agreement, in the case of claims or loss alleged or incurred by an End User Customer of Ernest arising out of or in connection with services provided to the End User Customer by Ernest, Ernest shall defend and indemnify Frontier and its officers, directors, employees and agents against any and all such claims or loss by Ernest's End User Customers

SECTION 19. DISCLAIMER OF WARRANTIES

19.1 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS), THE PARTIES AGREE THAT FRONTIER HAS NOT MADE, AND THAT THERE EXISTS, NO WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY ERNEST OF FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED BY FRONTIER UNDER THIS AGREEMENT WILL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY

INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

19.2 It is the express intent of the Parties that each Party be solely responsible for all claims of its End Users, including, without limitation, any credits or adjustments that may be issued or required to be issued to its End Users.

SECTION 20. ASSIGNMENT

Any assignment or delegation by either Party to any non-affiliated entity or to any affiliated entity that is not certificated as a local exchange Ernest of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. A Party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an affiliate that is certificated as a local exchange Ernest shall provide written notice to the other Party. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement.

SECTION 21. CONTROLLING LAW

This Agreement shall be governed by and construed in accordance with the Act, the FCC's Rules and Regulations, and the Commission Rules and Regulations, except insofar as state law may control any aspect of this Agreement, in which case the domestic laws of the state, without regard to its conflicts of laws principles, shall govern.

SECTION 22. SEVERABILITY

Subject to Section 10, Regulatory Approval, if any part of this Agreement is held to be invalid for any reason, such invalidity will affect only the portion of this Agreement which is invalid. In all other respects this Agreement will stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect.

SECTION 23. NO JOINT VENTURE OR THIRD PARTY BENEFICIARIES

23.1 Nothing herein contained shall be construed as creating a partnership or joint venture by or between the Parties.

23.2 The provisions of this Agreement are for the benefit of the Parties and not for any other Person. This Agreement will not provide any Person not a Party to this Agreement with any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing by reference in this Agreement.

SECTION 24. CHARGES AND PAYMENTS

24.1 In consideration of the services provided by Frontier under this Agreement, Ernest shall pay the charges set forth in this Agreement and in applicable tariffs. In consideration of the services provided by Ernest under this Agreement, Frontier shall pay the charges set forth in this Agreement. Invoices with charges set forth in this Agreement and in applicable tariffs shall be sent to:

TO CARRIER
Ernest Communications, Inc.
5275 Triangle Parkway
Suite 150
Norcross, GA 30092
Attn: Billing

TO FRONTIER:

Frontier, a Citizens Communications Company
Attention: Access Validation
14500 Burnhaven Dr. Suite 193
Burnsville, MN 55306

24.2 A monthly billing statement with a consistent, regular bill date shall be prepared by each Party and will reflect the calculation for amounts due under this Agreement. All bills dated as set forth above will be due thirty (30) days after the bill date or by the next bill date (i.e., the same date in the following month as the bill date), whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. If such payment date would cause payment to be due on a Saturday, Sunday or Legal Holiday, payment for such bills will be due on the last business day preceding the Saturday, Sunday or Legal Holiday. When a bill has been delayed, the due date will be extended by the number of days the bill was delayed, upon request of the receiving Party.

24.3 Billing: The Parties agree that disputed and undisputed amounts due under this Agreement shall be handled as follows:

24.3.1 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 Billed Party) shall within thirty (30) days of its receipt of the invoice containing such a disputed amount give written notice to the Billing Party of the amount it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Billed Party shall pay when due all undisputed amounts to the Billing Party, and shall include a copy of the dispute with the payment of the undisputed amount.

24.3.2 In the event that a billing dispute is resolved in favor of the Billed Party, any payment of the disputed amount withheld pending settlement of the dispute shall not be subject to the late payment penalty.

24.3.3 In the event that a billing dispute is resolved in favor of the Billing Party, any payments withheld pending settlement of the dispute will be subject to the late payment penalty as set forth herein.

24.3.4 Undisputed amounts shall be paid when due as set forth in Section 24.2 above. If any payment or portion thereof is either received by the Billing Party in funds that are not immediately available to the Billing Party or not received by the bill due date, a late payment penalty shall be due to the Billing Party. The late payment penalty shall be 1.5% per month or 18% annually, or the maximum allowed by law, whichever is less.

24.4 Both Parties shall use the Dispute Resolutions procedures as described herein.

SECTION 25. DEFAULT

25.1 In the event of breach of any material provision of this Agreement by either Party, the non breaching Party shall give the other Party written notice thereof, and:

25.1.1 If such material breach is for non-payment of amounts due hereunder, the breaching Party shall cure such breach within ten (10) days of receiving such notice. The non-breaching Party shall be entitled to pursue all available legal and equitable remedies for such breach.

Amounts disputed in good faith and withheld or set off shall not be deemed "amounts due hereunder" for the purpose of this provision. Neither Party shall withhold or set off undisputed amounts.

In addition, if such material breach is for non-payment of amounts due hereunder and such amounts have not been disputed, the non-breaching Party may:

(1) refuse additional applications for any service provided under this Agreement;

(2) refuse to complete any pending orders for additional services any time thereafter, and/or;

(3) on thirty (30) days' written notice by overnight delivery or certified U.S. mail, with a copy to the Commission, to the person designated to receive such notice, discontinue the provision of existing services at any time thereafter.

25.1.2 If the non-breaching Party does not refuse additional applications for additional services, and the non-payment continues, nothing contained herein shall preclude the non-breaching Party from refusing additional applications for services without further notice. If the non-breaching Party discontinues provision of the additional services, all applicable charges, including termination charges, shall become due. If the non-breaching Party does not discontinue the provision of services on the date specified in the thirty (30) days notice, and the nonpayment continues, nothing contained herein shall preclude the non-breaching Party from discontinuing the provision of services without further notice.

25.1.3 Frontier reserves the right to refuse an application for additional services made by any entity that owns or is substantially owned, directly or indirectly, by or is under common control with, Ernest, so long as Ernest or any such entity is indebted to Frontier for services previously furnished, until the indebtedness is satisfied. In the event that services are provided to Ernest or an entity that owns or is substantially owned, directly or indirectly, by or is under common control with, Ernest, such services may be terminated by Frontier unless Ernest satisfies the indebtedness owing to Frontier within thirty (30) days after written notification. Such notification shall be made by certified U. S. mail to the person designated by Ernest to receive such notices.

25.1.4 If such material breach is for any failure to perform in accordance with this Agreement, other than for non-payment of amounts due hereunder, or if either Party is otherwise in violation of the law, the non-breaching Party shall give notice of the breach and the breaching Party shall cure such breach within sixty (60) days of such notice, and if breaching Party does not, the non-breaching Party may, at its sole option, terminate this Agreement. The non-breaching Party shall be entitled to pursue all available legal and equitable remedies for such breach.

SECTION 26. CONFIDENTIALITY AND PUBLICITY

26.1 All proprietary or confidential information ("Proprietary Information") disclosed by either Party during the negotiations and the term of this Agreement will be protected by both Parties in accordance with the terms provided herein.

26.2 As used in this Agreement, the term "Proprietary Information" will mean written, recorded, machine readable or other information provided in tangible form to one Party by the other Party regarding the above referenced subject matter and which is marked proprietary or confidential with the appropriate owner corporation name, e.g., "Frontier Proprietary". Information disclosed orally will not be considered proprietary unless such information is reduced to writing by the disclosing Party and a copy is delivered to

the other Party within thirty (30) business days after such oral disclosure. The writing will also state the place, date and person(s) to whom disclosure was made.

26.3 Each Party agrees that it will not disclose any Proprietary Information of the other Party in whole or in part, including derivations, to any third party for a period of three (3) years from the date of disclosure unless the Parties agree to modify this Agreement to provide for a different nondisclosure period for specific materials. Neither Party will be liable for inadvertent or accidental disclosure of Proprietary Information of the other Party provided that:

26.3.1 each Party uses at least the same degree of care in safeguarding such Proprietary Information as it uses for its own proprietary information of like importance, and such degree of care will be reasonably calculated to prevent such inadvertent disclosure;

26.3.2 it limits access to such Proprietary Information to its employees and agents who are directly involved in the consideration of the Proprietary Information and informs its employees and agents who have access to such Proprietary Information of its duty not to disclose; and

26.3.3 upon discovery of any such inadvertent disclosure of Proprietary Information, it will endeavor to prevent any further inadvertent disclosure.

26.4 Information will not be deemed proprietary and the receiving Party will have no obligation with respect to any such information which:

26.4.1 is or becomes publicly known through no wrongful act, fault or negligence of the receiving Party; or

26.4.2 was known by the receiving Party or by any other affiliate or subsidiary of the receiving Party prior to disclosure, or is at any time developed by the receiving Party independently of any such disclosure; or

26.4.3 was disclosed to the receiving Party by a third party who was free of obligations of confidentiality to the disclosing Party; or

26.4.4 is disclosed or used by the receiving Party, not less than three (3) years following its initial disclosure or such other nondisclosure period as may be agreed in writing by the Parties; or

26.4.5 is approved for release by written authorization of the disclosing Party; or

26.4.6 is disclosed pursuant to a requirement or request of a governmental agency or disclosure is required by operation of law; or

26.4.7 is furnished to a third party by the disclosing Party without a similar restriction on the third party's rights.

26.5 Since either Party may choose not to use or announce any services, products or marketing techniques relating to these discussions or information gained or exchanged during the discussions, both Parties acknowledge that one is not responsible or liable for any business decisions made by the other in reliance upon any disclosures made during any meeting between the Parties or in reliance on any results of the discussions. The furnishing of Proprietary Information to one Party by the other Party will not obligate either Party to enter into any further agreement or negotiation with the other.

26.6 Nothing contained in this Agreement will be construed as granting to one Party a license, either express or implied, under any patent, copyright, or trademark, now or hereafter owned, obtained, controlled, or which is or may be licensable by the other Party.

26.7 All publicity regarding this Agreement and its Attachments is subject to the Parties' prior written consent.

26.8 Unless otherwise agreed upon, neither Party will publish or use the other Party's name, language, pictures, or symbols from which the other Party's name may be reasonably inferred or implied in any advertising, promotion, or any other publicity matter relating directly or indirectly to this Agreement.

SECTION 27. NO RIGHTS TO THIRD PARTIES

This Agreement will not provide any third party, including, but not limited to any End User of Ernest, with any remedy, claim, liability, reimbursement, cause of action, or other right in excess of those existing without reference to this Agreement.

SECTION 28. HEADINGS

The headings in this Agreement are for convenience and will not be construed to define or limit any of the terms herein or affect the meanings or interpretation of this Agreement.

SECTION 29. EXECUTION IN DUPLICATE

This Agreement may be executed in counterparts. Each counterpart shall be considered an original and such counterparts shall together constitute one and the same instrument.

SECTION 30. NOTICES

Except as otherwise provided herein, all notices or other communication hereunder shall be deemed to have been duly given when made in writing and delivered in person or deposited in the United States mail, certified mail, postage prepaid, return receipt requested, or delivered by prepaid overnight express mail, and addressed as follows:

TO CARRIER:

Ernest Communications, Inc.
Attn: Paul Masters, President
5275 Triangle Parkway
Suite 150
Norcross, GA 30092

TO FRONTIER:

Frontier, a Citizens Communications Company
Attn: Kim Czak, Director, Ernest Services
180 South Clinton Avenue
Rochester, NY 14646
Tel. No. 585-777-7124

And:

Frontier, a Citizens Communications Company
Attn: Associate General Counsel
180 S. Clinton Ave, 7th Floor
Rochester, NY 14646

If personal delivery is selected to give notice, a receipt of such delivery shall be obtained. The address to which notices or communications may be given to either Party may be changed by written notice given by such Party to the other pursuant to this Section.

The Parties have caused this Local Interconnection Agreement to be executed on their behalf on the dates set forth below.

Ernest Communications, Inc.

By: _____

Typed: Paul Masters

Title: President

Date: 6/19/08

Citizens Telecommunications Company of Idaho

By: _____

Typed: Chris Eldredge

Title: VP Carrier Sales and Service

Date: 7/2/08

ATTACHMENT 1

RESALE OF LOCAL SERVICES

ATTACHMENT 1 – Resale of Local Services

Section 1. DEFINITIONS

1.1 Resale means an activity wherein Ernest subscribes to the retail telecommunications services of Frontier and then re-offers and provides those telecommunications services to the public under its own company name.

SECTION 2. SERVICE TO END USERS

2.1 Telephone numbers associated with Frontier's retail telecommunication services offered for resale are assigned to the service furnished. Ernest has no property right to the telephone number or any other call number designation associated with services furnished by Frontier, and no right to the continuance of service through any particular central office. Frontier reserves the right to change such numbers, or the central office designation associated with such numbers, or both, consistent with telephone number conservation and administrative practices, such as NPA splits, generally prevailing in the local exchange telecommunications industry.

SECTION 3. FRONTIER'S PROVISION OF SERVICES TO ERNEST

3.1. Ernest agrees that its resale of Frontier services will be as follows:

3.1.1. Except as specified in Section 3.6 below. The telecommunications services available at a wholesale discount for resale by Ernest will be limited to retail services made available to End Users and uses conforming to the class of service restrictions in Frontier's Local Exchange Service Tariff and pursuant to all rules and regulations related to the provision of local exchange services promulgated by the applicable Commission.

3.1.2. If telephone service is established and it is subsequently determined that the class of service restriction has been violated, Ernest will be notified and billing for that service will be retroactively changed to the appropriate class of service. Service charges for changes between class of service, back billing, and interest as described in this subsection will apply at Frontier's sole discretion. Interest will apply at the rate of 1.5% per month or 18% annually, or the maximum allowed by law, whichever is less, compounded daily for the number of days from the back billing date to and including the date that Ernest actually makes the payment to Frontier may be assessed.

3.2. Resold services can only be used in the same manner as specified in Frontier's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual End User of Frontier in the appropriate section of Frontier's Tariff. Specific Tariff features, e.g., a usage allowance per month, will not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one End User.

3.3. Ernest may resell Frontier's services only within the specific Frontier's service area as defined in Frontier's Tariff.

3.4. A subscriber line charge (SLC) or any federally mandated or state approved charge to End Users included in Frontier's tariffs will continue to be paid by Ernest without discount for each local exchange line resold under this Agreement.

3.5. Law enforcement agency subpoenas and court orders regarding End Users of Ernest will be directed to Ernest. Frontier will bill Ernest for implementing any requests by law enforcement agencies regarding Ernest End Users. Frontier will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with Ernest's End Users.

3.6. Ernest may resell the tariffed retail local exchange services of Frontier subject to the terms and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for Resale:

a) Calling Card
b) Employee Concessions Services
c) Promotional offers less than 90 days
d) Grandfathered Services
e) LifeLine and Link Up Services
f) Inside Wire
g) Installment billing options
h) Enhanced Services, excluding voice mail
i) End User Premise Equipment
j) 911 and E911 Services
k) Interconnection Services
l) Legislatively or Administratively Mandated Specialized Discounts (e.g., educational institution discounts)

3.7 Ernest agrees to abide by the terms and conditions of the Local Service Provider Guide, which is incorporated by reference herein.

Ernest is liable for all fraud associated with service to its End Users and accounts. Frontier takes no responsibility, will not investigate, and will make no adjustments to Ernest's account in cases of fraud unless such fraud is the result of intentional misconduct or gross negligence of Frontier.

3.8 Telecommunications services provided directly to Ernest for its own use and not resold to End Users must be identified by Ernest as such, and notwithstanding any available wholesale discount, Ernest will pay retail prices for such services.

SECTION 4. MAINTENANCE OF SERVICES

4.1 Services resold by Frontier will be maintained by Frontier, up to and including the Network Interface Device.

4.2 Ernest or its End Users may not rearrange, move, disconnect, add additional services, remove or attempt to repair any facilities owned by Frontier, other than by connection or disconnection to any interface means used.

4.3 Ernest accepts responsibility to notify Frontier of situations that may arise, resulting in service problems.

4.4 Ernest will be the single point of contact for all repair calls on behalf of Ernest's End Users.

4.5 Ernest will contact the appropriate repair centers in accordance with procedures established by Frontier.

4.6 For all repair requests, Ernest accepts responsibility for adhering to Frontier' prescreening guidelines prior to referring the trouble to Frontier.

4.7 Frontier will bill Ernest for handling troubles that are found not to be in Frontier' network pursuant to its standard time and material or dispatch charges as set forth in Frontier' Tariff.

4.8 Frontier reserves the right to contact Ernest's End User if deemed necessary, for maintenance purposes in an emergency or as a result of a service call which Ernest may initiate.

4.9 Ernest acknowledges that any chat line services being offered by Ernest over Frontier's facilities shall only be provisioned by Frontier on a blockable "NXX" central office code.

SECTION 5. ESTABLISHMENT OF SERVICE

5.1 When notification is received from Ernest that a current End User of Frontier will subscribe to Ernest's service, standard service order intervals for the appropriate class of service will apply.

5.2 When an existing End User of Frontier switches to Ernest, Ernest must provide Frontier with the End User line numbers and applicable feature detail, as set forth in the Local Service Provider Guide.

SECTION 6. DISCONTINUANCE OF SERVICE TO END USER

The procedures for temporarily denying or permanently disconnecting service to an End User are as follows:

6.1 Frontier will temporarily deny service to Ernest's End User on behalf of, and at the request of Ernest. Upon restoration of the End User's service, restoral charges will apply and will be charged to the master account of Ernest.

6.2 All requests by Ernest for temporary denial, restoration, or permanent disconnection of an End User for nonpayment must be in writing and must be on, or accompanied by, the appropriate ordering form. Ernest is responsible for compliance with regulatory requirements for termination and temporary disconnection of service to End User(s).

6.3 Ernest will be solely responsible for notifying the End User, in advance, of the proposed temporary denial or permanent disconnection of the service.

6.4 Frontier will advise Ernest when it is determined that annoyance calls are originated from one of their End User's locations. Frontier will be indemnified, defended and held harmless by Ernest and/or the End User against any claim, loss, or damage arising from providing this information to Ernest. It is the responsibility of Ernest to take the corrective action necessary with its End Users who make annoying calls. Failure to do so may at Frontier's option result in Frontier disconnecting the End User's service.

SECTION 7. DISCONTINUANCE OF SERVICE TO ERNEST

The procedures for discontinuing service to Ernest are as follows unless otherwise defined by the Commission:

7.1 Where Ernest discontinues its provision of service to all or substantially all of its End Users, the Ernest must send advance written notice of such discontinuance to Frontier, comply with any applicable Commission regulatory requirements and to each of the Ernest's End Users. Such notice must include a verification that the Ernest has notified its End Users of the discontinuance, and must state the date on which such End User notice was mailed. If the End User fails to make other arrangements within fifteen (15) days of the date of notice provided by the Ernest, Frontier will serve the End User at its retail rates as if the End User had applied for new service, subject to Frontier's retail connection charges and other requirements applicable to other new End Users including but not limited to payment of deposits, advance payments and prior amounts owing to Frontier.

ATTACHMENT 2

PRICING

Attachment 2 – PRICING

1.2 RESALE

1.2.1 Nonrecurring Charges:

A nonrecurring charge will apply when converting a Frontier account to a Ernest account or when changing an End User from one Ernest to another.

1.2.2 Basic Residential Line Service and Basic Business Line Service and Public Access Line Service that is subject to resale will be discounted at 12% from the published rates in the state local tariff for the rate center where service is being requested.

1.3 Supplemental PON Charges

1.3.1 A supplement is any new iteration of a local service request.

Supplement # **1**

Cancel - Indicates that the pending order is to be canceled in its entirety.

Charge - $14.38

Supplement # **2**

New desired due date - Indicates that the pending order requires only a change of desired due date.

Supplement # **3**

Other - Any other change to the request.

Supp 2 & 3 Charges are as follows:

Order Type	Residence Resale	Business Resale	Residence Porting	Business Porting	Residence ULL/UNE	Business ULL/UNE
Charge Per Order	$11.01	$17.83	$11.01	$17.83	$8.86	$14.34
*Expedite Charge will be applied ($35.20 per telephone number) for any Portings stopped on the DD & subsequently reappointed with a new Due Date.						

1.4 OTHER MISCELLENEOUS CHARGES

1.4.1 Expedite Charge - Any work requested before the next available due date or before the standard interval for that service.

The expedite charge is applied for each telephone number being expedited.

NONRECURRING

Residence $35.20

Business $35.20

Additional Labor Charges also apply if the work is done after hours or on the weekend.

1.4.2 Preferential/Vanity Numbers

NONRECURRING

Residence $42.33
Business $84.45