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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

JOINT APPLICATION OF MIDVALE TELEPHONE EXCHANGE, INC. AND SPRINT SPECTRUM L.P. FOR APPROVAL OF A WIRELINE INTERCONNECTION AGREEMENT PURSUANT TO 47 U.S.C. § 252(E).	Docket No. MID-T-05-01 **APPLICATION FOR APPROVAL OF AN INTERCONNECTION AGREEMENT**

Midvale Telephone Exchange, Inc. ("Midvale") and Sprint Spectrum L.P. ("Sprint") hereby jointly file this Application for Approval of an Interconnection Agreement executed on November 2, 2004 (the "Agreement"). A copy of the Agreement is attached hereto as Exhibit A.

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").

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

ORIGINAL

Midvale and Sprint respectfully submit this Application provides no basis for either of these findings and, therefore, jointly request that the Commission approve this Application expeditiously. This Application is consistent with the public interest as identified in the pro-competitive policies of the State of Idaho, the Commission, the United States Congress, and the Federal Communications Commission. Expeditious approval of this Application will enable Midvale to interconnect with Sprint facilities and to provide customers with increased choices among local telecommunications services.

Midvale and Sprint further request that the Commission approve this Application without a hearing. Because this Application was reached through voluntary negotiations, it does not raise issues requiring a hearing and does not concern other parties not a party to the negotiations. Expeditious approval would further the public interest.

RESPECTFULLY SUBMITTED this 10th day of February 2005.

GIVENS PURSLEY LLP

By _____
Conley E. Ward
Attorneys for Midvale Telephone Exchange, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 10th day of February 2005, I caused to be served a true and correct copy of the foregoing document by the method indicated below and addressed to the following:

Jean Jewell Idaho Public Utilities Commission 472 W. Washington Street P.O. Box 83720 Boise, ID 83720-0074	_____ U.S. Mail __X__ Hand Delivered _____ Overnight Mail _____ Facsimile _____ Electronic Mail

Judi C. Meier for

Conley E. Ward

EXHIBIT A

TRAFFIC EXCHANGE AGREEMENT

By and Between

Midvale Telephone Exchange, Incorporated

And

Sprint Spectrum L.P.

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ATTACHMENT 1 COMPANY RATES 21

This Traffic Exchange ("Agreement"), is entered into by and between Midvale Telephone Exchange, Incorporated, an Idaho corporation ("Company") and Sprint Spectrum L.P., a Delaware limited partnership d/b/a Sprint PCS ("Sprint PCS"), (each referred to as a "Party" and collectively as "Parties"). This Agreement is effective as of January 1, 2004.

WHEREAS, Sprint PCS is authorized by the Federal Communications Commission ("FCC") to provide commercial mobile radio service ("CMRS"); and

WHEREAS, Company is a provider of local exchange service; and

WHEREAS, Sprint PCS terminates Telecommunications Traffic that originates from Company's End Users, and Company terminates Telecommunications Traffic that originates from Sprint PCS's End Users; and

WHEREAS, Sprint PCS provides a point of interconnection in the Company's service areas, or interconnects with Company's network via a third party tandem switch; and

WHEREAS, the Parties wish to establish a compensation arrangement that compensates each other for terminating Telecommunications Traffic that originates on the other Party's network.

NOW, THEREFORE, IN CONSIDERATION of the covenants contained herein, the Parties hereby agree as follows:

1. DEFINITIONS.

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

1.2 An "Affiliate" of a Party means a person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with another Party. For purposes of this definition, the term "own" means to have an equity interest (or the equivalent thereof) in more than 10 percent.

1.3 "Central Office" means a switching facility from which Telecommunications Services are provided, including, but not limited to:

1.3.1 An "End Office Switch" or "End Office" used to, among other things, terminate Telecommunications Traffic to End Users.

1.3.2 "Tandem Switch" or "Tandem Office" is a switching facility that is used to interconnect trunk circuits between and among End Office Switches, aggregation points, points of termination, or points of presence. A switch may be both an End Office Switch and a Tandem Switch.

1.3.3 "Mobile Switch Center" or "MSC" is a switching facility that provides tandem and end office switching capability.

1.4 "CMRS" means Commercial Mobile Radio Service as defined in the Act.

1.5 "Confidential Information" shall have the meaning ascribed in Section 23.

1.6 "Commission" refers to the state telecommunications regulatory commission within a state.

1.7 "End User" means, with respect to Sprint PCS, any subscriber to wireless service furnished by Sprint PCS or by another entity reselling Sprint PCS's wireless service. With respect to Company, "End User" means any subscriber to wireline local exchange service furnished to the End User by Company or by another entity reselling Company's wireline local exchange service, and further means any casual user of Company's wireline local exchange service. Sprint PCS and Company are each deemed to be subscribers to their own wireless service or wireline local exchange service, respectively, for purposes of this definition.

1.8 "Information Service Provider" or "ISP" means any person or entity, including but not limited to an Internet service provider, which provides information services.

1.9 "ISP traffic" means traffic originated by one Party's End Users and delivered to the other Party for transport and/or termination to an ISP.

1.10 "Interconnection," as defined in 47 C.F.R. § 51.5, is the physical linking of two networks for the mutual exchange of traffic. This term does not include the transport and termination of traffic.

1.11 "Interexchange Carrier" or "IXC" means a carrier that provides or carries, directly or indirectly, intraLATA or interLATA telecommunications services.

1.12 "Local Exchange Carrier" is as defined in the Act at 47 U.S.C. § 153(26).

1.13 "Local Exchange Routing Guide" or "LERG" means the Telcordia reference customarily used to identify NPA-NXX routing and homing information.

1.14 "Major Trading Area" or "MTA" means the service areas based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd edition, at pages 38-39. 47 C.F.R. § 24.202(a).

1.15 "POI" means Point of Interconnection.

1.16 "PSTN" means the Public Switched Telephone Network.

1.17 "Reciprocal Compensation" means a compensation arrangement between two carriers in which each carrier receives compensation from the other carrier for the transport and termination of Telecommunications Traffic on the terminating carrier's network facilities for Telecommunications Traffic that originates on the network facilities of the other carrier. 47 C.F.R. § 51.701(E).

1.18 "Tandem Switch" or "Tandem Office" is when Company provides tandem switching at the Company switch for traffic between Sprint PCS and a Company end office subtending the Company switch.

1.19 "Telecommunication Services" shall have the meaning set forth in 47 § U.S.C. 153(46).

1.20 "Telecommunications Traffic" for purposes of compensation under this Agreement is that traffic which originates and terminates within the same Major Trading Area ("MTA"). For purposes of determining whether traffic originates and terminates within the same MTA, and is therefore subject to Reciprocal Compensation under this Agreement, shall be determined by the location of the End Office serving the landline End User and the location of the cell site that serves the mobile End User when the call is originated. When Company terminates traffic of roamers using Sprint PCS facilities (including facilities of affiliates of Sprint PCS) within the MTA, this traffic shall be included in Sprint's Net Balance of Traffic, as defined in Section 6, below, and will be billed to Sprint PCS by Company. Sprint PCS may bill the appropriate charges to the originating carrier, which billing will not affect compensation between Company and Sprint PCS.

1.21 "Termination" means the switching of Telecommunications Traffic at the terminating Party's End Office Switch, or equivalent facility, and delivery of such traffic to the called Party's station or telephone.

1.22 "Usage Factors" are those factors set out in Attachment 1.

2. RURAL TELEPHONE COMPANY.

2.1 Company is a "rural telephone company" as defined in the Act, 47 U.S.C. § 153(37). This Agreement is entered into as a compensation arrangement under 47 U.S.C. § 332. It is not intended to constitute an interconnection agreement for purposes of Company's exemption from certain interconnection duties as set forth in the Act. Company further asserts that, pursuant to Section 251(f)(1) of the Act, Company is exempt from Section 251(c) of the Act. Notwithstanding such exemption, Company has entered into and accepted this Agreement for purposes of exchanging traffic, as defined herein, with Sprint PCS. The execution of this Agreement does not in any way constitute a waiver or limitation of either Company's or Sprint PCS's rights under Section 251(f)(1) or 251(f)(2). Accordingly, Company 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 Sprint PCS or any other carrier. Further, Sprint does not waive its right to challenge the rural status of Company under this Agreement.

2.2 Nothing in this Agreement shall be construed to prevent Company from treating a call which is interexchange in nature but which terminates in the same MTA as the location of the landline End User as a toll call for purposes of assessing an interexchange carrier (other than Sprint PCS) that carries the call access rates or from charging the landline End User toll rates.

3. TRAFFIC EXCHANGE

3.1 The traffic subject to this Agreement shall be that Telecommunications Traffic which originates from an End User on the network of one Party and is delivered to the other

Party for termination to an End User on the network of the other Party. Such traffic includes that traffic which is delivered via a third party tandem switch.

3.2 Company shall permit its End Users within a given Rate Center to dial the same number of digits to call a Sprint PCS NPA-NXX in any Rate Center that would be required of the same End User to call a landline end-user in the same Rate Center as the Sprint PCS NPA-NXX. Sprint PCS shall permit its End Users within a given Rate Center to dial the same number of digits to call a Company NPA-NXX in any Rate Center that would be required of the same End User to call a Sprint PCS End User in the same Rate Center as the Company NPA-NXX. Nothing in this Agreement shall be construed to alter or otherwise affect in any manner the local calling areas offered or the rates charged by either Party to its End Users.

4. FACILITIES.

4.1 Each Party shall construct, equip, maintain and operate its network in accordance with good engineering practices for telephone systems and in compliance with all applicable rules and regulations, as amended from time-to-time, of any regulatory body empowered to regulate any aspect of the facilities contemplated herein.

4.2 Each Party shall be solely responsible for any charges the third-party tandem provider may assess for transiting traffic, if any, that originates on said Party's network. If traffic exchanged between Company and Sprint PCS reaches 200,000 minutes per month for three consecutive months, Company and Sprint PCS will discuss providing a direct connection between the Parties.

4.3 It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the LERG guidelines to recognize and route Telecommunications Traffic to the other Party's assigned NXX codes, provided routes are established between the parties. Neither Party shall impose any fees or charges whatsoever on the other Party for programming and updating its own switches for purposes of routing Telecommunications Traffic.

4.4 The Parties expect that where feasible, Telecommunications Traffic will be delivered to each involved network with CCS/SS7 protocol and the appropriate ISUP/TCAP message to facilitate full interoperability and billing functions. In-band signaling may be used if CCS/SS7 is not available.

5. RATES AND CHARGES.

5.1 The Parties hereby agree to the following rates for the facilities and services to be provided pursuant to this Agreement. The Parties agree the rates set forth herein shall be deemed effective as of January 1, 2004.

Rate Elements

5.1.1 Local Network Usage -The Parties agree to compensate each other for terminating traffic that originates on the other Party's network. The rates for this compensation

arrangement are identified in Attachment 1, which is hereby incorporated by reference.

5.1.2 Tandem Switching - For Sprint PCS's Telecommunications Traffic that is transported to a Company end office via a Company tandem, Sprint PCS will compensate Company for the tandem switched traffic at rates identified in Attachment 1.

5.1.3 InterMTA Traffic- The Parties contemplate that they may exchange InterMTA traffic under this Agreement. Compensation for InterMTA traffic shall be subject to the appropriate tariff access rates. Termination of InterMTA MOUs shall be based on the Usage Factors set out on Attachment 1.

5.2 Until such time as Company is capable of measuring terminating traffic, Company shall bill Sprint PCS based upon a terminating to originating ratio using the net billing method in Section 6.

5.3 The Parties will exchange billing information on a monthly basis. Company will prepare its bill in accordance with its existing Carrier Access Billing System (CABS) billing systems. Except when net billing is used as described in Section 6, Sprint PCS will prepare its bill in accordance with OBF industry standards. The Parties will make an effort to conform to current and future OBF standards, as they apply to wireline and wireless traffic. Since Company is not capable of measuring, or does not have access to a measurement of traffic originating on Sprint PCS's network, the parties agree to bill each other based upon an assumed Usage Factor set forth in Attachment 1, in the manner described in Section 6.

5.4 When measurement of traffic is available, conversation time will be determined from actual usage recordings. Conversation time begins when the terminating recording switch receives answer supervision from the terminating End User. The measurement of terminating call usage ends when the terminating entry switch receives or sends a release message, whichever occurs first. Measured minutes of use are aggregated at the end of the billing cycle and then rounded to the nearest whole minute.

6. BILLING AND PAYMENT OF CHARGES.

6.1 Each net bill shall be prepared as follows:

6.1.1 First, using the Traffic Factors set forth on Attachment 1, the Company will establish the Mobile-to-Land minutes based upon the originating Land-to-Mobile minutes. To this total amount of Mobile-to-Land minutes, the Company will then apply the InterMTA Factor set forth on Attachment 1 and will bill the resultant number of minutes by applying thereto the rates set forth in Company's access services tariffs. Of the number of interMTA minutes resulting from

application of the InterMTA factor, one-half will be billed according to the Company's intrastate access services tariff and one-half will be billed according to the Company's interstate access services tariff.

6.1.2 The remaining Mobile-to-Land minutes calculated according to the Mobile-to-Land Factor will be multiplied by the Local Call Termination Rate set forth on Attachment 1 and the result, when added to the bill for interMTA minutes, shall be Sprint PCS' gross obligation to Company. The Land-to-Mobile minutes will be multiplied by the Local Call Termination Rate set forth on Attachment 1, with the result being the Company's gross obligation to Sprint PCS. The Company then will subtract the Company's gross obligation to Sprint PCS from the Sprint PCS gross obligation to the Company, with the resulting difference being the amount of the net bill to be rendered by the Company to Sprint and to be paid by Sprint to the Company.

6.2 Nonrecurring charges will be billed upon completion of the work activity for which the charge applies; monthly recurring charges will be billed in advance; and Local Network Usage and access usage will be billed in arrears. All bills will be due when rendered and will be considered past due thirty (30) calendar days after the bill date. The Parties agree that they will each make a good faith effort to resolve any billing dispute.

6.3 If any undisputed amount due on the billing is not received by the billing Party by the payment due date, the billing Party may charge, and the billed Party agrees to pay, interest on the past due balance at a rate equal to the lesser of one and one-half percent (1-1/2%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next or subsequent invoice.

6.4 If any portion of an amount due to a billing Party under this Agreement is subject to a bona fide dispute between the Parties, the billed Party shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The billed Party shall pay all undisputed amounts to the billing Party by the due date. The balance of the Disputed Amount shall thereafter be paid with appropriate late charges, if the disputed amount is sustained, upon final determination of such dispute.

6.5 The billing Party shall charge and collect from the billed Party, and the billed Party agrees to pay to the billing Party, appropriate federal, state, and local taxes and surcharges where applicable, except to the extent the billed Party notifies the billing Party and provides appropriate documentation that the billed Party qualifies for a full or partial exemption.

6.6 Either Party may conduct an audit of the other Party's books and records pertaining to the services provided under this Agreement no more 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: (a) following at least thirty (30) days prior written notice to the audited Party, (b) subject to reasonable scheduling requirements and limitations of the audited Party, (c) at the auditing Party's sole expense, (d) of a reasonable scope and duration, (e) in a manner so as not to interfere with the audited Party's business operations, and (f) in compliance with the audited Party's security rules.

7. IMPAIRMENT OF SERVICE.

7.1 The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

7.2 If either Party causes an Impairment of Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to remedy promptly the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment until the circumstance or condition giving rise to the Impairment of Service is eliminated or otherwise resolved.

8. TROUBLE REPORTING.

8.1 In order to facilitate trouble reporting, each Party has established a single point of contact available 24 hours per day, seven days per week, at telephone numbers to be provided by the Parties. Each Party shall call the other at these respective telephone numbers to report trouble with connection facilities, trunks, and other interconnection arrangements, to inquire as to the status of trouble ticket numbers in progress, and to escalate trouble resolution.

8.2 Before either Party reports a trouble condition, it must first use its reasonable efforts to isolate the trouble to the other Party's facilities, service, and arrangements. Each Party will advise the other of any critical nature of the inoperative facilities, service, and arrangements and any need for expedited clearance of trouble. In cases where a Party has indicated the essential or critical need for restoration of the facilities, services or arrangements, the other Party shall use its best efforts to expedite the clearance of trouble.

9. TERM AND TERMINATION.

9.1 This Agreement shall take effect as of January 1, 2004, and have an initial term of one year, unless earlier terminated as provided for in this Agreement, and shall continue in force and effect thereafter for successive one-year terms, until replaced by another agreement or terminated by either Party upon ninety (90) days written notice to the other.

9.2 This Agreement shall continue in full force and effect until superseded by a successor agreement upon expiration of the one (1) year term. Either Party may request the negotiation of a successor agreement by written notice to the other Party no earlier than sixty (60) days prior to the expiration of the one (1) year term, and this Agreement shall renew on a month-to-month basis until the negotiation of a successor agreement is executed between the Parties.

9.3 Notwithstanding Section 9.1 and 9.2 above, this Agreement shall be terminated in the event that:

9.3.1 the FCC revokes, cancels, does not renew or otherwise terminates Sprint PCS's authorization to provide CMRS in the area served by Company, or the Commission revokes, cancels, or otherwise terminates Company's certification or authority to provide local service; or

9.3.2 either Party becomes bankrupt or insolvent, makes a general assignment for the benefit of, or enters into any arrangement, with creditors, files a voluntary petition under any bankruptcy, insolvency or similar laws, or proceedings are instituted under any such laws seeking the appointment of a receiver, trustee or liquidator instituted against it which are not terminated within sixty (60) days of such commencement.

9.4 Either Party shall have the right to terminate this Agreement upon written notice to the other Party in the event:

9.4.1 a Party is in arrears in the payment of any undisputed amount due under this Agreement for more than sixty (60) days, and the Party does not pay the undisputed amount in full within fifteen (15) business days of the other Party's written demand for payment; or

9.4.2 a Party is in material breach of the provisions of this Agreement and that breach continues for a period of thirty (30) days after receipt by it of the other Party's written notification to the breaching Party of such breach, including a reasonably detailed statement of the nature of the breach.

10. LIABILITY UPON TERMINATION.

10.1 Termination of this Agreement, or any part hereof, for any cause shall not release either Party from (1) 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 (2) from any obligation which is expressly stated in this Agreement to survive termination.

11. AMENDMENTS.

11.1 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" includes Attachment 1 hereto and shall include future amendments, modifications, and supplements to this instrument.

12. ASSIGNMENT.

12.1 Any assignment by either Party of any right, obligation, or duty arising under, or of any interest in this Agreement, without the written consent of the other Party, which consent shall not be unreasonably withheld, shall be void, except that either Party may assign its rights, obligations, liabilities and duties under this Agreement to any entity that is, or in the case of an assignment that was immediately preceding such assignment was, a wholly owned subsidiary or affiliate of that Party without consent, but with written notification to the other Party. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, liabilities and duties of the assigning Party's performance under this agreement. Notwithstanding the foregoing, no consent shall be required for the assignment of this Agreement in the context of the sale of all or substantially all of the assets or stock of either of the Parties.

12.2 Nothing in this Agreement shall prohibit Sprint PCS from enlarging its CMRS network through management contracts with third-parties for the construction and operation of a CMRS system under the Sprint PCS brand name and license. Traffic originating on such extended networks shall be treated as Sprint PCS's traffic subject to the terms, conditions, and rates of this Agreement. Traffic traversing such extended networks shall be deemed to be and treated under this Agreement as "Sprint PCS Telecommunications Traffic" when it originates on such extended network and terminates on Company's network, and as "Company Telecommunications Traffic" when it originates upon Company's network and terminates upon such extended network. Such Telecommunications Traffic traversing on such extended networks shall be subject to the terms, conditions, and rates of this Agreement.

13. AUTHORITY.

13.1 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.

14. BINDING EFFECT.

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

15. COMPLIANCE WITH LAWS AND REGULATIONS.

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

16. ENTIRE AGREEMENT.

16.1 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.

17. EXPENSES.

17.1 Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

18. FORCE MAJEURE.

18.1 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 the other Party, or any other 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 prevention, 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.

19. GOVERNING LAW.

19.1 This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Oregon as well as the Communications Act of 1934, as amended and other federal laws, and shall be subject to exclusive jurisdiction of the courts and/or regulatory commission of such state, except to the extent that the Communications Act of 1934, as amended, and other federal laws provide for federal jurisdiction.

19.2 The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules or regulations that subsequently may be adopted by federal, or applicable state or local, governmental authority. Any modifications to this Agreement occasioned by such changes shall be effected through good faith negotiations concerning modifications to this Agreement, subject to Sections 24.1 and 27.1 below.

20. INDEPENDENT CONTRACTOR RELATIONSHIP.

20.1 The persons implementing this Agreement on behalf of each Party shall be solely that Party's employees or contractors 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.

21. LIABILITY AND INDEMNITY.

21.1 Indemnification.

21.1.1 Each Party ("Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party ("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, to the extent proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action.

21.2 Disclaimer.

21.2.1 EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES OR FACILITIES PROVIDED UNDER THIS AGREEMENT. EACH PARTY DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

21.3 Limitation of Liability.

21.3.1 A Party's liability, whether in tort or otherwise, for matters arising under, or pertaining to, this Agreement or the performance of the Parties hereunder shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services or facilities for the time period during which the services or facilities provided pursuant to this Agreement are inoperative, not to exceed in total the monthly charges payable by the liable Party to the other Party. Under no circumstance shall a Party be responsible or liable to the other Party for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits or damages arising from the use or provisioning of services hereunder.

21.4 Relationship to Prices.

21.4.1 The prices for services provided under this Agreement are set in express reliance upon the enforceability of this Section 21, and this Section 21 constitutes an essential element of the bargain.

21.5 Survival.

21.5.1 The provisions of this Section 21 shall survive any termination of this Agreement.

21.6 Notice and Procedure.

21.6.1 The Indemnified Party will notify the Indemnifying Party promptly and in writing of any claims, lawsuits, or demands by customers or other third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section, and, if requested by the Indemnifying Party, will tender to the Indemnifying Party defense of such claim, lawsuit or demand.

21.6.2 If 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 resulting from said action. Further, the Indemnifying Party shall bear all costs and expenses, including reasonable attorneys' fees, the Indemnified Party incurs in defending and/or settling the action.

21.6.3 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, which election shall relieve the other Party from any further liability or obligation to the Party making the election with respect to the claim, lawsuit or demand, or the subject matter thereof.

21.6.4 The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit subject to indemnification pursuant to this Section 21.

21.6.5 Neither Party shall accept the terms of a settlement that involves or references the other Party in any manner without the other Party's prior written approval.

22. DISPUTE RESOLUTION.

22.1 Alternative to Litigation.

22.1.1 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 with respect to any controversy or claim between them arising out of or relating to this Agreement or its breach.

22.2 Negotiations.

22.1.1 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 location, format, frequency, duration, and conclusion of these negotiations 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 and, if otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

22.3 Savings Clause.

22.3.1 Either Party may determine, in its own judgment, that negotiations are not producing measurable results and may then avail themselves of any remedy they may have under law, including, but not limited to, resort to complaint to the appropriate administrative agency or court action. The Parties may agree to submit the matter to arbitration on such terms and conditions as may be mutually agreed upon by the Parties.

22.4 Continuous Service.

22.4.1 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 (including making payments in accordance with Section 6) in accordance with this Agreement.

23. CONFIDENTIAL INFORMATION.

23.1 Identification.

23.1.1 Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, electronic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import or, if transmitted electronically, be so identified in the accompanying transmittal. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure. The following information shall be deemed Confidential Information, whether or not marked as such: orders for services, usage information in any form, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Act and the rules and regulations of the FCC and Commission.

23.2 Handling.

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

23.2.1.1 That all Confidential Information shall be and shall remain the exclusive property of the Party from whom or from whose representative(s), the Confidential Information is obtained ("Source");

23.2.1.2 To limit access to such Confidential Information to authorized employees and representatives who have a need to know the Confidential Information for performance of this Agreement;

23.2.1.3 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;

23.2.1.4 Except as otherwise permitted by this Section 23, and where required by federal or applicable state law, 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;

23.2.1.5 To destroy or return promptly any copies of such Confidential Information to the Source(s) upon receipt of a written request to do so from the other Party; and

23.2.1.6 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.

23.3 Exceptions.

23.3.1 These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the Source, was received in good faith from a third party not subject to a confidential obligation to the Source, 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, 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, with respect to disclosure pursuant to subpoena or other process, the recipient shall give as much prior notice as possible to the Source and shall reasonably cooperate if the Source deems it necessary to seek protective arrangements.

23.4 Survival.

23.4.1 The obligation of confidentiality and, restriction on use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

24. NOTICES.

24.1 Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Notice may also be provided by facsimile, which shall be effective on the next business day following the date of transmission. The Party receiving the notice by facsimile will provide written confirmation to the other Party. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

To: Sprint PCS
Attn: Law and Regulatory Affairs
6200 Sprint Parkway
KSOPHT0101-Z2060
Overland Park, KS 66251

With a copy (which shall not constitute notice) to:

Sprint PCS
Director, Wholesale Interconnection Management
Mailstop: KSOPHN0212
6450 Sprint Parkway
Overland Park, KS 66251

To: Midvale Telephone Exchange, Incorporated
Attn: Lane Williams, President
2205 Keithley Creed Road
Midvale, ID 83645

With a copy (which shall not constitute notice) to:

Richard A. Finnigan
Law Office of Richard A. Finnigan
2405 Evergreen Park Drive SW
Suite B-1
Olympia, WA 98502

25. REGULATORY AGENCY CONTROL.

25.1 This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the FCC and/or the Commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency.

26. SEVERABILITY.

26.1 If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

27. CHANGE OF LAW PROVISION.

27.1 To the extent that the existing rules applicable to this Agreement are vacated, dismissed, stayed or materially changed or modified, then this Agreement shall be amended to reflect such legally binding modification or change of the existing rules. Upon the effective date of any legislative, regulatory, judicial or other legal action that has a material effect on any term in this Agreement, or the ability of Sprint PCS or Company to perform any material terms of this Agreement, Sprint PCS or Company may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. Any rates, terms or conditions thus developed or

modified shall be substituted in place of those previously in effect and shall be deemed to have been effective under this Agreement as of the effective date of the order by the Court, Commission or FCC, whether such action was commenced before or after the effective date of this Agreement. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in Section 22.

28. ISP TRAFFIC.

28.1 This compensation arrangement shall not apply to traffic that terminates to an ISP provider on a Party's network.

29. PATENTS.

29.1 No license under any patent is granted by Sprint PCS to Company, or by Company to Sprint PCS, or shall be implied or arise by estoppel with respect to any circuit, apparatus, system, or method used by either of them in connection with any facilities, service or arrangements furnished under this Agreement.

29.2 Each Party warrants that it has the requisite authority to utilize all necessary patents for the provisioning of its service.

30. COUNTERPARTS.

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

31. CONSTRUCTION.

31.1 It is agreed and understood that both Parties negotiated the terms and conditions of this Agreement. This Agreement shall not be construed more favorably for one Party or the other.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date signed by both Parties.

By: Sprint PCS

By: W. Richard Morris

Name: W. Richard Morris

Title: V.P. Law & External Affairs

Date: 11-2-04

By: Midvale Telephone Exchange, Incorporated

By: Lane Williams

Name: Lane Williams

Title: President

Date: 10-22-04

Attachment 1 Rates

1. Traffic Factors

Land-to-Mobile	.28
Mobile-to-Land	.72

2. Net Balance of Traffic .44

3. Usage Factors

Percent Local Usage (PLU)	.90
Inter MTA Factor*	.10

4. Compensation Rates

Local Call Termination Rate	$.019 per minute of use
InterMTA Usage Termination Rate	Per Access Service Tariff
IntraState Switched Access	0.0581**
InterState Switched Access	NECA Band 8*

*This factor will be applied as 50% interstate usage and 50% intrastate usage.

**Rates will change as tariff changes are made. Company will inform Sprint PCS at the time tariff changes occur.