

Verizon

RECEIVED

FILED



2004 MAR 23 AM 10:11

IDAHO PUBLIC
UTILITIES COMMISSION



17933 N.W. Evergreen Pkwy
P.O. Box 1100
Beaverton, OR 97076

V2N-T-04-05

March 22, 2004

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho 83702

RE: Interconnection Agreement between Verizon Northwest Inc. Northwest Telephone, Inc.

Dear Ms. Jewell,

Enclosed for Commission approval is a new negotiated agreement between Verizon Northwest Inc. & Northwest Telephone, Inc. Also enclosed for approval is Amendment 1 to the underlying agreement. Please call me at (503) 645-7909 if you should have any questions.

Sincerely,

Renee M. Willer
Verizon Northwest Inc.

Enclosure

RECEIVED
FILED



2004 MAR 23 AM 10:11

IDAHO PUBLIC
UTILITIES COMMISSION

AGREEMENT

by and between

NORTHWEST TELEPHONE, INC.

and

VERIZON NORTHWEST INC.

FOR THE STATE OF

IDAHO

VZN-T-04-05

TABLE OF CONTENTS

AGREEMENT	1
1. The Agreement	1
2. Term and Termination	2
3. Glossary and Attachments	2
4. Applicable Law	2
5. Assignment	3
6. Assurance of Payment	4
7. Audits	5
8. Authorization	5
9. Billing and Payment; Disputed Amounts	5
10. Confidentiality	6
11. Counterparts	8
12. Default	8
13. Discontinuance of Service by NTI	9
14. Dispute Resolution	9
15. Force Majeure	9
16. Forecasts	10
17. Fraud	10
18. Good Faith Performance	10
19. Headings	11
20. Indemnification	11
21. Insurance	12
22. Intellectual Property	13
23. Joint Work Product	14
24. Law Enforcement	14
25. Liability	15

26.	Network Management.....	16
27.	Non-Exclusive Remedies	17
28.	Notice of Network Changes	17
29.	Notices	17
30.	Ordering and Maintenance	18
31.	Performance Standards	18
32.	Point of Contact for NTI Customers.....	18
33.	Predecessor Agreements	19
34.	Publicity and Use of Trademarks or Service Marks	19
35.	References.....	19
36.	Relationship of the Parties	20
37.	Reservation of Rights.....	20
38.	Subcontractors	21
39.	Successors and Assigns	21
40.	Survival	21
41.	Taxes	21
42.	Technology Upgrades	23
43.	Territory	23
44.	Third Party Beneficiaries	24
45.	251 and 271 Requirements	24
46.	252(i) Obligations.....	24
47.	Use of Service	24
48.	Waiver	24
49.	Warranties	24
50.	Withdrawal of Services.....	25
	SIGNATURE PAGE	26
	GLOSSARY.....	27
1.	General Rule.....	27

2.	Definitions	27
ADDITIONAL SERVICES ATTACHMENT		41
1.	Alternate Billed Calls	41
2.	Dialing Parity - Section 251(b)(3).....	41
3.	Directory Assistance (DA) and Operator Services (OS)	41
4.	Directory Listing and Directory Distribution.....	41
5.	Voice Information Service Traffic.....	43
6.	Intercept and Referral Announcements	44
7.	Originating Line Number Screening (OLNS).....	44
8.	Operations Support Systems (OSS) Services	44
9.	Poles, Ducts, Conduits and Rights-of-Way.....	51
10.	Telephone Numbers	51
11.	Routing for Operator Services and Directory Assistance Traffic.....	52
12.	Good Faith Performance	52
INTERCONNECTION ATTACHMENT.....		53
1.	General.....	53
2.	Points of Interconnection and Trunk Types	53
3.	Alternative Interconnection Arrangements.....	57
4.	Initiating Interconnection.....	57
5.	Transmission and Routing of Telephone Exchange Service Traffic.....	58
6.	Traffic Measurement and Billing over Interconnection Trunks	59
7.	Reciprocal Compensation Arrangements Pursuant to Section 251(b)(5) of the Act	60
8.	Other Types of Traffic.....	62
9.	Transmission and Routing of Exchange Access Traffic	62
10.	Meet-Point Billing Arrangements	63
11.	Toll Free Service Access Code (e.g., 800/888/877) Traffic.....	66
12.	Tandem Transit Traffic	67

13.	Number Resources, Rate Center Areas and Routing Points	68
14.	Joint Network Implementation and Grooming Process; and Installation, Maintenance, Testing and Repair.....	69
15.	Number Portability - Section 251(B)(2)	71
16.	Good Faith Performance	74
17.	Transport and Termination of Indirect Interconnection Traffic	74
RESALE ATTACHMENT		76
1.	General.....	76
2.	Use of Verizon Telecommunications Services	76
3.	Availability of Verizon Telecommunications Services.....	77
4.	Responsibility for Charges	77
5.	Operations Matters	77
6.	Rates and Charges	78
7.	Good Faith Performance	78
NETWORK ELEMENTS ATTACHMENT		79
1.	General.....	79
2.	Verizon's Provision of Network Elements.....	80
3.	Loop Transmission Types	80
4.	Line Sharing	89
5.	Line Splitting	96
6.	Sub-Loop	96
7.	Inside Wire.....	100
8.	Dark Fiber	101
9.	Network Interface Device	107
10.	Unbundled Switching Elements	108
11.	Unbundled Interoffice Facilities	109
12.	Signaling Networks and Call-Related Databases	110
13.	Operations Support Systems	111

14.	Availability of Other Network Elements on an Unbundled Basis	112
15.	Maintenance of Network Elements	113
16.	Combinations	113
17.	Rates and Charges	113
18.	Good Faith Performance	113
COLLOCATION ATTACHMENT		115
1.	Verizon's Provision of Collocation	115
911 ATTACHMENT		151
1.	911/E-911 Arrangements	151
2.	Electronic Interface	151
3.	911 Interconnection	152
4.	911 Facilities	152
5.	Local Number Portability for use with 911	152
6.	PSAP Coordination	152
7.	911 Compensation	152
8.	911 Rules and Regulations	152
9.	Good Faith Performance	152
PRICING ATTACHMENT		154
1.	General	154
2.	Verizon Telecommunications Services Provided to NTI for Resale Pursuant to the Resale Attachment	154
3.	NTI Prices	156
4.	Section 271	156
5.	Regulatory Review of Prices	156
APPENDIX A TO THE PRICING ATTACHMENT		158

AGREEMENT

PREFACE

This Agreement ("Agreement") shall be deemed effective as of February 9, 2004 (the "Effective Date"), between Northwest Telephone, Inc. ("NTI"), a corporation organized under the laws of the State of Washington, with offices at 1630 N. Wenatchee Avenue, Suite 9, Wenatchee, WA 98801 and Verizon Northwest Inc. ("Verizon"), a corporation organized under the laws of the State of Washington with offices at 1800 41st Street, Everett, WA 98201 (Verizon and NTI may be referred to hereinafter, each, individually as a "Party", and, collectively, as the "Parties").

GENERAL TERMS AND CONDITIONS

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, pursuant to Section 252 of the Act, Verizon and NTI hereby agree as follows:

1. The Agreement

- 1.1 This Agreement includes: (a) the Principal Document; (b) the Tariffs of each Party applicable to the Services that are offered for sale by it in the Principal Document (which Tariffs are incorporated into and made a part of this Agreement by reference); and, (c) an Order by a Party that has been accepted by the other Party.
- 1.2 Except as otherwise expressly provided in the Principal Document (including, but not limited to, the Pricing Attachment), conflicts among provisions in the Principal Document, Tariffs, and an Order by a Party that has been accepted by the other Party, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) the Tariffs; and, (c) an Order by a Party that has been accepted by the other Party. The fact that a provision appears in the Principal Document but not in a Tariff, or in a Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2.
- 1.3 This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation, on the subject matter hereof, provided, however, notwithstanding any other provision of this Agreement or otherwise, this Agreement is an amendment, extension and restatement of the Parties' prior interconnection and resale agreement(s), if any, and, as such, this Agreement is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction with respect to any prior interconnection or resale agreements and, accordingly, all monetary obligations of the Parties to one another under any prior interconnection or resale agreements shall remain in full force and effect and shall constitute monetary obligations of the Parties under this Agreement (provided, however, that nothing contained in this Agreement shall convert any claim or debt that would otherwise constitute a prepetition claim or debt in a bankruptcy case into a postpetition claim or debt). In connection with the foregoing, Verizon expressly reserves all of its rights under the Bankruptcy Code and Applicable Law to seek or oppose any relief in respect of the assumption, assumption and assignment, or rejection of any interconnection or resale agreements between Verizon and NTI.
- 1.4 Except as otherwise provisioned in the Principal Document, the Principal Document may not be waived or modified except by a written document that is

signed by the Parties. Subject to the requirements of Applicable Law, a Party shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party.

2. Term and Termination

- 2.1 This Agreement shall be effective as of the Effective Date and, unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect until February 8, 2006 (the "Initial Term"). Thereafter, this Agreement shall continue in force and effect unless and until cancelled or terminated as provided in this Agreement.
- 2.2 Either NTI or Verizon may terminate this Agreement effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term by providing written notice of termination at least ninety (90) days in advance of the date of termination.
- 2.3 If either NTI or Verizon provides notice of termination pursuant to Section 2.2 and on or before the proposed date of termination either NTI or Verizon has requested negotiation of a new interconnection agreement, unless this Agreement is cancelled or terminated earlier in accordance with the terms hereof (including, but not limited to, pursuant to Section 12), this Agreement shall remain in effect until the earlier of: (a) the effective date of a new interconnection agreement between NTI and Verizon; or, (b) the date one (1) year after the proposed date of termination.
- 2.4 If either NTI or Verizon provides notice of termination pursuant to Section 2.2 and by 11:59 PM Eastern Time on the proposed date of termination neither NTI nor Verizon has requested negotiation of a new interconnection agreement, (a) this Agreement will terminate at 11:59 PM Eastern Time on the proposed date of termination, and (b) the Services being provided under this Agreement at the time of termination will be terminated, except to the extent that the Purchasing Party has requested that such Services continue to be provided pursuant to an applicable Tariff or Statement of Generally Available Terms (SGAT).

3. Glossary and Attachments

The Glossary and the following Attachments are a part of this Agreement:

- Additional Services Attachment
- Interconnection Attachment
- Resale Attachment
- Network Elements Attachment
- Collocation Attachment
- 911 Attachment
- Pricing Attachment

4. Applicable Law

- 4.1 The construction, interpretation and performance of this Agreement shall be governed by (a) the laws of the United States of America and (b) the laws of the State of Idaho, without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws.

- 4.2 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement.
- 4.3 Neither Party shall be liable for any delay or failure in performance by it that results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.
- 4.4 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 4.5 If any provision of this Agreement shall be invalid or unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.
- 4.6 If any legislative, regulatory, judicial or other governmental decision, order, determination or action, or any change in Applicable Law, materially affects any material provision of this Agreement, the rights or obligations of a Party hereunder, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law. If within thirty (30) days of the effective date of such decision, determination, action or change, the Parties are unable to agree in writing upon mutually acceptable revisions to this Agreement, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction, without first pursuing dispute resolution in accordance with Section 14 of this Agreement.
- 4.7 Notwithstanding anything in this Agreement to the contrary, if, as a result of any legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to NTI hereunder, then Verizon may discontinue the provision of any such Service, payment or benefit, and NTI shall reimburse Verizon for any payment previously made by Verizon to NTI that was not required by Applicable Law. Verizon will provide thirty (30) days prior written notice to NTI of any such discontinuance of a Service, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for termination of such Service in which event such specified period and/or conditions shall apply.

5. Assignment

Neither Party may assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

Any attempted assignment or delegation in violation of this Section 5 shall be void and ineffective and constitute default of this Agreement.

6. Assurance of Payment

- 6.1 Upon request by Verizon, NTI shall, at any time and from time to time, provide to Verizon adequate assurance of payment of amounts due-(or to become due) to Verizon hereunder.
- 6.2 Assurance of payment of charges may be requested by Verizon if NTI (a) prior to the Effective Date, has failed to timely pay a bill rendered to NTI by Verizon or its Affiliates, (b) on or after the Effective Date, fails to timely pay a bill rendered to NTI by Verizon or its Affiliates, (c) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.
- 6.3 Unless otherwise agreed by the Parties, the assurance of payment shall consist of an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon. The letter of credit shall be in an amount equal to two (2) months anticipated charges (including, but not limited to, both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to NTI in connection with this Agreement. If NTI meets the condition in subsection 6.2(d) above or has failed to timely pay two or more bills rendered by Verizon or a Verizon Affiliate in any twelve (12)-month period, Verizon may, at its option, demand (and NTI shall provide) additional assurance of payment, consisting of monthly advanced payments of estimated charges as reasonably determined by Verizon, with appropriate true-up against actual billed charges no more frequently than once per calendar quarter.
- 6.4 [Intentionally Left Blank].
- 6.5 [Intentionally Left Blank].
- 6.6 Verizon may (but is not obligated to) draw on the letter of credit upon notice to NTI in respect of any amounts to be paid by NTI hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.
- 6.7 If Verizon draws on the letter of credit, upon request by Verizon, NTI shall provide a replacement or supplemental letter of credit conforming to the requirements of Section 6.3.
- 6.8 Notwithstanding anything else set forth in this Agreement, if Verizon makes a request for assurance of payment in accordance with the terms of this Section, then Verizon shall have no obligation thereafter to perform under this Agreement until such time as NTI has provided Verizon with such assurance of payment.
- 6.9 The fact that a letter of credit is requested by Verizon hereunder shall in no way relieve NTI from compliance with the requirements of this Agreement (including, but not limited to, any applicable Tariffs) as to advance payments and payment

for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of Services for nonpayment of any amounts payment of which is required by this Agreement.

7. Audits

- 7.1 Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") books, records, documents, facilities and systems for the purpose of evaluating the accuracy of the Audited Party's bills. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit found previously uncorrected net inaccuracies in billing in favor of the Audited Party having an aggregate value of at least \$1,000,000.
- 7.2 The audit shall be performed by independent certified public accountants selected and paid by the Auditing Party. The accountants shall be reasonably acceptable to the Audited Party. Prior to commencing the audit, the accountants shall execute an agreement with the Audited Party in a form reasonably acceptable to the Audited Party that protects the confidentiality of the information disclosed by the Audited Party to the accountants. The audit shall take place at a time and place agreed upon by the Parties; provided, that the Auditing Party may require that the audit commence no later than sixty (60) days after the Auditing Party has given notice of the audit to the Audited Party.
- 7.3 Each Party shall cooperate fully in any such audit, providing reasonable access to any and all employees, books, records, documents, facilities and systems, reasonably necessary to assess the accuracy of the Audited Party's bills.
- 7.4 Audits shall be performed at the Auditing Party's expense, provided that there shall be no charge for reasonable access to the Audited Party's employees, books, records, documents, facilities and systems necessary to assess the accuracy of the Audited Party's bills.

8. Authorization

- 8.1 Verizon represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington and has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.
- 8.2 NTI represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington, and has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.
- 8.3 NTI Certification.

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as NTI has obtained such FCC and Commission authorization as may be required by Applicable Law for conducting business in Idaho. NTI shall not place any orders under this Agreement until it has obtained such authorization. NTI shall provide proof of such authorization to Verizon upon request.

9. Billing and Payment; Disputed Amounts

- 9.1 Except as otherwise provided in this Agreement, each Party shall submit to the other Party on a monthly basis in an itemized form, statement(s) of charges incurred by the other Party under this Agreement.
- 9.2 Except as otherwise provided in this Agreement, payment of amounts billed for Services provided under this Agreement, whether billed on a monthly basis or as otherwise provided in this Agreement, shall be due, in immediately available U.S. funds, on the later of the following dates (the "Due Date"): (a) the due date specified on the billing Party's statement; or (b) twenty (20) days after the date the statement is received by the billed Party. Payments shall be transmitted by electronic funds transfer.
- 9.3 If any portion of an amount billed by a Party under this Agreement is subject to a good faith dispute between the Parties, the billed Party shall 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. A Party may also dispute prospectively with a single notice a class of charges that it disputes. Notice of a dispute may be given by a Party at any time, either before or after an amount is paid, and a Party's payment of an amount shall not constitute a waiver of such Party's right to subsequently dispute its obligation to pay such amount or to seek a refund of any amount paid. The billed Party shall pay by the Due Date all undisputed amounts. Billing disputes shall be subject to the terms of Section 14, Dispute Resolution.
- 9.4 Charges due to the billing Party that are not paid by the Due Date, shall be subject to a late payment charge. The late payment charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month.
- 9.5 Although it is the intent of both Parties to submit timely statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion.

10. Confidentiality

- 10.1 As used in this Section 10, "Confidential Information" means the following information that is disclosed by one Party ("Disclosing Party") to the other Party ("Receiving Party") in connection with, or anticipation of, this Agreement:
- 10.1.1 Books, records, documents and other information disclosed in an audit pursuant to Section 7;
 - 10.1.2 Any forecasting information provided pursuant to this Agreement;
 - 10.1.3 Customer Information (except to the extent that (a) the Customer information is published in a directory, (b) the Customer information is disclosed through or in the course of furnishing a Telecommunications Service, such as a Directory Assistance Service, Operator Service, Caller ID or similar service, or LIDB service, or (c) the Customer to

whom the Customer Information is related has authorized the Receiving Party to use and/or disclose the Customer Information);

- 10.1.4 information related to specific facilities or equipment (including, but not limited to, cable and pair information);
- 10.1.5 any information that is in written, graphic, electromagnetic, or other tangible form, and marked at the time of disclosure as "Confidential" or "Proprietary;" and
- 10.1.6 any information that is communicated orally or visually and declared to the Receiving Party at the time of disclosure, and by written notice with a statement of the information given to the Receiving Party within ten (10) days after disclosure, to be "Confidential" or "Proprietary".

Notwithstanding any other provision of this Agreement, a Party shall have the right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Sections 10.1.5 or 10.1.6.

- 10.2 Except as otherwise provided in this Agreement, the Receiving Party shall:
 - 10.2.1 use the Confidential Information received from the Disclosing Party only in performance of this Agreement; and
 - 10.2.2 using the same degree of care that it uses with similar confidential information of its own (but in no case a degree of care that is less than commercially reasonable), hold Confidential Information received from the Disclosing Party in confidence and restrict disclosure of the Confidential Information solely to those of the Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, that have a need to receive such Confidential Information in order to perform the Receiving Party's obligations under this Agreement. The Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, shall be required by the Receiving Party to comply with the provisions of this Section 10 in the same manner as the Receiving Party. The Receiving Party shall be liable for any failure of the Receiving Party's Affiliates or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates, to comply with the provisions of this Section 10.
- 10.3 The Receiving Party shall return or destroy all Confidential Information received from the Disclosing Party, including any copies made by the Receiving Party, within thirty (30) days after a written request by the Disclosing Party is delivered to the Receiving Party, except for (a) Confidential Information that the Receiving Party reasonably requires to perform its obligations under this Agreement, and (b) one copy for archival purposes only.
- 10.4 Unless otherwise agreed, the obligations of Sections 10.2 and 10.3 do not apply to information that:
 - 10.4.1 was, at the time of receipt, already in the possession of or known to the Receiving Party free of any obligation of confidentiality and restriction on use;

- 10.4.2 is or becomes publicly available or known through no wrongful act of the Receiving Party, the Receiving Party's Affiliates, or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates;
 - 10.4.3 is rightfully received from a third person having no direct or indirect obligation of confidentiality or restriction on use to the Disclosing Party with respect to such information;
 - 10.4.4 is independently developed by the Receiving Party;
 - 10.4.5 is approved for disclosure or use by written authorization of the Disclosing Party (including, but not limited to, in this Agreement); or
 - 10.4.6 is required to be disclosed by the Receiving Party pursuant to Applicable Law, provided that the Receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement to the Disclosing Party in order to enable the Disclosing Party to seek protective arrangements.
- 10.5 Notwithstanding the provisions of Sections 10.1 through 10.4, the Receiving Party may use and disclose Confidential Information received from the Disclosing Party to the extent necessary to enforce the Receiving Party's rights under this Agreement or Applicable Law. In making any such disclosure, the Receiving Party shall make reasonable efforts to preserve the confidentiality and restrict the use of the Confidential Information while it is in the possession of any person to whom it is disclosed, including, but not limited to, by requesting any governmental entity to whom the Confidential Information is disclosed to treat it as confidential and restrict its use to purposes related to the proceeding pending before it.
- 10.6 The Disclosing Party shall retain all of the Disclosing Party's right, title and interest in any Confidential Information disclosed by the Disclosing Party to the Receiving Party. Except as otherwise expressly provided in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark or copyright), nor is any such license to be implied solely by virtue of the disclosure of Confidential Information.
- 10.7 The provisions of this Section 10 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to the use, or protection of the confidentiality of, CPNI provided by Applicable Law.
- 10.8 Each Party's obligations under this Section 10 shall survive expiration, cancellation or termination of this Agreement.

11. Counterparts

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

12. Default

If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts

to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.

13. Discontinuance of Service by NTI

- 13.1 If NTI proposes to discontinue, or actually discontinues, its provision of service to all or substantially all of its Customers, whether voluntarily, as a result of bankruptcy, or for any other reason, NTI shall send written notice of such discontinuance to Verizon, the Commission, and each of NTI's Customers. NTI shall provide such notice such number of days in advance of discontinuance of its service as shall be required by Applicable Law. Unless the period for advance notice of discontinuance of service required by Applicable Law is more than thirty (30) days, to the extent commercially feasible, NTI shall send such notice at least thirty (30) days prior to its discontinuance of service.
- 13.2 Such notice must advise each NTI Customer that unless action is taken by the NTI Customer to switch to a different carrier prior to NTI's proposed discontinuance of service, the NTI Customer will be without the service provided by NTI to the NTI Customer.
- 13.3 Should a NTI Customer subsequently become a Verizon Customer, NTI shall provide Verizon with all information necessary for Verizon to establish service for the NTI Customer, including, but not limited to, the NTI Customer's billed name, listed name, service address, and billing address, and the services being provided to the NTI Customer.
- 13.4 Nothing in this Section 13 shall limit Verizon's right to cancel or terminate this Agreement or suspend provision of Services under this Agreement.

14. Dispute Resolution

- 14.1 Except as otherwise provided in this Agreement, any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties. To initiate such negotiation, a Party must provide to the other Party written notice of the dispute that includes both a detailed description of the dispute or alleged nonperformance and the name of an individual who will serve as the initiating Party's representative in the negotiation. The other Party shall have ten Business Days to designate its own representative in the negotiation. The Parties' representatives shall meet at least once within 45 days after the date of the initiating Party's written notice in an attempt to reach a good faith resolution of the dispute. Upon agreement, the Parties' representatives may utilize other alternative dispute resolution procedures such as private mediation to assist in the negotiations.
- 14.2 If the Parties have been unable to resolve the dispute within 45 days of the date of the initiating Party's written notice, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction.

15. Force Majeure

- 15.1 Neither Party shall be responsible for any delay or failure in performance which results from causes beyond its reasonable control ("Force Majeure Events"), whether or not foreseeable by such Party. Such Force Majeure Events include, but are not limited to, adverse weather conditions, flood, fire, explosion, earthquake, volcanic action, power failure, embargo, boycott, war, revolution, civil commotion, act of public enemies, labor unrest (including, but not limited to, strikes, work stoppages, slowdowns, picketing or boycotts), inability to obtain equipment, parts, software or repairs thereof, acts or omissions of the other Party, and acts of God.
- 15.2 If a Force Majeure Event occurs, the non-performing Party shall give prompt notification of its inability to perform to the other Party. During the period that the non-performing Party is unable to perform, the other Party shall also be excused from performance of its obligations to the extent such obligations are reciprocal to, or depend upon, the performance of the non-performing Party that has been prevented by the Force Majeure Event. The non-performing Party shall use commercially reasonable efforts to avoid or remove the cause(s) of its non-performance and both Parties shall proceed to perform once the cause(s) are removed or cease.
- 15.3 Notwithstanding the provisions of Sections 15.1 and 15.2, in no case shall a Force Majeure Event excuse either Party from an obligation to pay money as required by this Agreement.
- 15.4 Nothing in this Agreement shall require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

16. Forecasts

In addition to any other forecasts required by this Agreement, upon request by Verizon, NTI shall provide to Verizon forecasts regarding the Services that NTI expects to purchase from Verizon, including, but not limited to, forecasts regarding the types and volumes of Services that NTI expects to purchase and the locations where such Services will be purchased.

17. Fraud

NTI assumes responsibility for all fraud associated with its Customers and accounts. Verizon shall bear no responsibility for, and shall have no obligation to investigate or make adjustments to NTI's account in cases of, fraud by NTI's Customers or other third parties.

18. Good Faith Performance

The Parties shall act in good faith in their performance of this Agreement. Except as otherwise expressly stated in this Agreement (including, but not limited to, where consent, approval, agreement or a similar action is stated to be within a Party's sole discretion), where consent, approval, mutual agreement or a similar action is required by any provision of this Agreement, such action shall not be unreasonably withheld, conditioned or delayed. If and, to the extent that, Verizon, prior to the Effective Date of this Agreement, has not provided in the State of Idaho a service or arrangement offered under this Agreement, Verizon reserves the right to negotiate in good faith with NTI reasonable terms and conditions (including, without limitation, rates and implementation timeframes) for such service or arrangement; and, if the Parties cannot agree to such terms and conditions (including, without limitation, rates and implementation timeframes), either Party may utilize the Agreement's dispute resolution procedures.

19. Headings

The headings used in the Principal Document are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of the Principal Document.

20. Indemnification

20.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party ("Indemnified Party"), the Indemnified Party's Affiliates, and the directors, officers and employees of the Indemnified Party and the Indemnified Party's Affiliates, from and against any and all Claims that arise out of bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the grossly negligent or intentionally wrongful acts or omissions of the Indemnifying Party, the Indemnifying Party's Affiliates, or the directors, officers, employees, Agents or contractors (excluding the Indemnified Party) of the Indemnifying Party or the Indemnifying Party's Affiliates, in connection with this Agreement.

20.2 Indemnification Process.

20.2.1 As used in this Section 20, "Indemnified Person" means a person whom an Indemnifying Party is obligated to indemnify, defend and/or hold harmless under Section 20.1.

20.2.2 An Indemnifying Party's obligations under Section 20.1 shall be conditioned upon the following:

20.2.3 The Indemnified Person: (a) shall give the Indemnifying Party notice of the Claim promptly after becoming aware thereof (including a statement of facts known to the Indemnified Person related to the Claim and an estimate of the amount thereof); (b) prior to taking any material action with respect to a Third Party Claim, shall consult with the Indemnifying Party as to the procedure to be followed in defending, settling, or compromising the Claim; (c) shall not consent to any settlement or compromise of a Third Party Claim without the written consent of the Indemnifying Party; (d) shall permit the Indemnifying Party to assume the defense of a Third Party Claim (including, except as provided below, the compromise or settlement thereof) at the Indemnifying Party's own cost and expense, provided, however, that the Indemnified Person shall have the right to approve the Indemnifying Party's choice of legal counsel.

20.2.4 If the Indemnified Person fails to comply with Section 20.2.3 with respect to a Claim, to the extent such failure shall have a material adverse effect upon the Indemnifying Party, the Indemnifying Party shall be relieved of its obligation to indemnify, defend and hold harmless the Indemnified Person with respect to such Claim under this Agreement.

20.2.5 Subject to 20.2.6 and 20.2.7, below, the Indemnifying Party shall have the authority to defend and settle any Third Party Claim.

20.2.6 With respect to any Third Party Claim, the Indemnified Person shall be entitled to participate with the Indemnifying Party in the defense of the Claim if the Claim requests equitable relief or other relief that could

