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**RECIRPROCAL COMPENSATION AGREEMENT**

**BETWEEN**

**CAMBRIDGE TELEPHONE COMPANY**

**AND**

**T-MOBILE USA INC.**

## RECIRPROCAL COMPENSATION AGREEMENT

This Reciprocal Compensation Agreement (“Agreement”) for the transport and termination of telecommunications traffic (“traffic”) dated February 20, 2009 (“Effective Date”) between Cambridge Telephone Company (CTC), a LEC, and T-Mobile USA, Inc. (“T-Mobile”), a CMRS provider, has been executed pursuant to Sections 251 and 252 of the Telecommunications Act of 1996. LEC and T-Mobile are also sometimes referred to herein as “Party” or, collectively, “Parties”.

T-Mobile operates in some states through one or more of its subsidiaries. To the extent that T-Mobile does operate in a particular state through its subsidiary, then the subsidiary listed in Appendix 2 will be included as T-Mobile and be a Party to this Agreement.

In consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **SCOPE OF AGREEMENT.** This Agreement shall cover traffic originated by one Party and terminated to the other Party without the direct interconnection of the Parties’ networks. This Agreement shall cover both Local Traffic and InterMTA Traffic as those terms are defined in this Agreement. Unless this Agreement is amended to include direct interconnection provisions, the termination of traffic under this Agreement will be accomplished via indirect interconnection, whereby one Party sends traffic to the other Party through the network of a third-party carrier.
2. **DEFINITIONS.** Certain terms used in this Agreement shall have the meanings as defined below. Other terms used but not defined herein will have the meanings ascribed to them in the Act or in the Rules and Regulations of the FCC or the Commission. The Parties acknowledge that other terms appear in this Agreement that are not defined or ascribed as stated above. The Parties agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the Effective Date of this Agreement.
  - 2.1. “Act” – the Communications Act of 1934, as amended by the Telecommunications Act of 1996, and as further amended from time to time and as interpreted in the duly authorized rules and regulations and Orders of the FCC or the Commission.
  - 2.2. “Commission” – Idaho Public Utilities Commission.
  - 2.3. “FCC” – Federal Communications Commission.
  - 2.4. “InterMTA Traffic” - InterMTA Traffic means traffic that, at the beginning of the call, originates with one Party in one MTA and terminates to the other Party in a different MTA.
  - 2.5. “Local Exchange Carrier (LEC)” – Local Exchange Carrier means a provider of local exchange telecommunications service.

- 2.6. "Local Traffic" – For purposes of compensation between the parties, Local Traffic means traffic that, at the beginning of the call, originates with one Party and terminates to the Party within the same MTA, regardless of whether the call is handed off to a third party
- 2.7. "Major Trading Area (MTA)" – Major Trading Area as defined in 47 C.F.R. § 24 of the FCC Rules and Regulations.
- 2.8 "Percent Local Usage" (PLU) is the ratio of the local minutes to the sum of local and interMTA minutes between the Parties.
3. **TRAFFIC EXCHANGE**. One Party may send traffic to the other Party by connecting its network to a third-party to transit traffic to the other Party. In such instances, the Party sending traffic to the other Party through the network of a third-party (transit provider) shall be responsible for establishing appropriate contractual relationships with the third-party LEC(s) for interconnecting with its network and transiting traffic over that network to the other Party.
4. **COMPENSATION**. Compensation for traffic originated by a Party and terminated to the other Party's network shall be based upon the specific type and jurisdiction of the calls as follows:
- 4.1. Local Traffic – The originating Party will compensate the other Party for Local Traffic terminated on the other Party's network based on the rates established in Appendix 1.
- 4.2. Both parties acknowledge and agree that currently only Local traffic is being exchanged between the Parties. If during the term of this Agreement it is determined based on traffic studies that T-Mobile is not utilizing an inter-exchange carrier to terminate InterMTA traffic, such traffic will be treated as Local traffic and billed at the reciprocal compensation rates established in this agreement.
5. **RECORD EXCHANGES AND BILLING**
- 5.1. The Party terminating traffic under this Agreement ("Billing Party") shall issue bills based on the best information available including, but not limited to, records of terminating traffic created by the Party at its switch(s). Records should be provided at an individual call detail record, if possible, with sufficient information to identify the specific date and time of the call, the call duration, and the originating and terminating numbers. Neither Party shall be obligated as a result of this Agreement to develop or create new billing formats or records to satisfy any duty or obligation hereunder.
- 5.2. Either Party may obtain records or reports from the tandem operator summarizing traffic between the Parties. Alternatively, either Party may elect to measure actual terminating

traffic through its own equipment and utilize these measurements in place of the records or reports from the tandem operator. If T-Mobile is unable to determine the amount of land-to-mobile traffic it terminates from LEC, then T-Mobile will bill LEC using the Traffic Ratio Factors listed in Appendix 1.

- 5.3. The originating Party shall pay the Billing Party for all undisputed charges properly listed on the bill. Such payments are to be received within thirty (30) days from receipt of the billing statement. The originating Party shall pay a late charge on any undisputed charges that are not paid within the thirty (30) day period. The rate of the late charge shall be the lesser of 8% per annum or the maximum amount allowed by law. Neither Party shall bill the other Party for traffic that is more than ninety (90) days old.

All bills rendered by one Party to the other Party under this Agreement shall be sent to the following locations:

Cambridge Telephone Company (CTC)  
Attn: Jerry Piper  
130 N. Superior  
Cambridge, Idaho 83610

T-Mobile USA, Inc.  
Attn: Carrier Management  
12920 Se 38<sup>th</sup> St  
Bellevue, WA 98006

Both Parties acknowledge that the Operating Company Numbers ("OCNs") are critical in determining the requisite payments between the Parties. Both Parties have listed their OCN's in Appendix 1.

- 5.5. Payments made to Provider by T-Mobile will be issued through T-Mobile's electronic payment system, currently provided by the Xign Payment Services Network. Provider shall provide a point of contact and follow reasonable enrollment instructions provided by T-Mobile to enroll Provider in the electronic payment system and thereby receive payment due under this Agreement electronically.
- 5.6. The Parties shall be responsible for any applicable federal, state or local use, excise, or sales taxes, fees, or assessments in connection with the service furnished pursuant hereto, excluding any taxes based upon a Party's property, net income or gross receipts. The Billed Party shall pay all such amounts directly to the taxing authority unless the taxing authority requires that the Billing Party collect and remit payment, in which event the Billed Party shall pay said amounts to the Billing Party and the Billing Party shall remit such amounts to the authority. The Parties shall cooperate in taking all reasonable actions necessary to minimize, or to qualify for exemptions from, any such taxes, duties or liabilities. The Billed Party shall provide all information to the Billing Party of any exemption of sales, use or other tax claimed by the Billed Party and shall immediately notify the Billing Party of any change in the Billed Party's tax status.
- 5.7. The Parties agree to bill each other for Local Traffic as described in this Agreement unless the Local Traffic exchanged between the Parties is roughly balanced and falls within an agreed upon threshold ("Traffic Balance Threshold"). The Parties agree that for purposes of this Agreement, the Traffic Balance Threshold is reached when the Local Traffic exchanged, both directly and indirectly, equals or falls between 55% / 45% in

either direction. When the actual usage data for three (3) consecutive months indicates that the Local Traffic exchanged, both directly and indirectly, falls within the Traffic Balance Threshold, then either Party may provide the other Party a written request, along with verifiable information supporting such request, to eliminate billing for all compensation for telecommunications traffic exchanged between the Parties. Upon written consent by the Party receiving the request, which shall not be unreasonably withheld, conditioned or delayed, there will be no billing for compensation or payments for telecommunications traffic on a going forward basis (i.e., bill and keep).

5.8. Calculations for the Reciprocal Compensation will be as follows:

Using the Cambridge mobile-to-land MOUs (Minutes of Use) to calculate the land-to-mobile MOUs, divide the mobile-to-land MOUs by 75% to arrive at 100% of the total traffic. The mobile-to-land minutes are then subtracted from the 100% value to arrive at the 25% land-to-mobile minutes. (Ex.: 100,000 MOUs are determined to be mobile-to-land. 100,000 is divided by 75% to arrive at 133,333 MOUs total traffic exchanged. 100,000 is then subtracted from 133,333 to arrive at the land-to-mobile MOUs of 33,333.)

In the event the Local Traffic terminated on the Parties' respective networks is de minimis such that the total minutes for which either Party is entitled to compensation is less than fifty thousand (50,000) minutes, the Parties agree to a net-billing arrangement using the Reciprocal Compensation for such values for calculations. Cambridge will prepare its bill in accordance with its existing CABS / SECABS billing system.

Cambridge will reflect in the monthly billing a deduction of what T-Mobile owes to Cambridge. From the example in section 5.8: Cambridge would bill T-Mobile for the 100,000 mobile-to-land MOUs. In the same invoice, Cambridge would reflect a credit for the 33,333 land-to-mobile MOUs and bill for the net minutes of 66,667.

Upon request by T-Mobile, Cambridge agrees to supply call detail records to substantiate any month's net bill. T-Mobile agrees to provide sixty (60) days notice to Cambridge if T-Mobile chooses to revise this net-billing arrangement.

## 6. DISPUTE RESOLUTION

6.1. Alternative to Litigation. Except for the enforcement of this Section 6, the Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except as otherwise stated in the preceding sentence, and 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 procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

6.2. Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith and authorized to resolve the relevant dispute. The Parties intend that these negotiations be conducted by business

representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for the purpose of settlement, exempt from discovery and production, which shall not be admissible in arbitration 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 admissible, be admitted in evidence in the arbitration or lawsuit.

6.3. Arbitration. Except as otherwise provided in Section 6.1 above, if negotiations fail to produce within ninety (90) days a resolution to any dispute arising in conjunction with this Agreement, either Party may upon notice to the other submit the dispute to binding arbitration, which arbitration shall be conducted in accordance with the rules and procedures of the American Arbitration Association applicable to commercial contract disputes, then in effect.

7. **CONFIDENTIAL INFORMATION**. The Parties recognize that they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business as a result of this Agreement. Each Party agrees to treat all such data as strictly confidential and to use such data only for the purpose of performance under this Agreement. Each Party agrees not to disclose data about the other Party's business, unless such disclosure is required by lawful subpoena or order, to any person without first securing the written consent of the other Party. If a Party is obligated to turn over, divulge, or otherwise disclose the other Party's confidential information as the result of an order or subpoena issued by a court or other tribunal of competent jurisdiction, then the Party to which such demand is being made shall notify the other Party as soon as possible of the existence of such demand, and shall provide all necessary and appropriate assistance as the Party whose information is sought to be disclosed may reasonably request in order to preserve the confidential nature of the information sought. The obligation of confidentiality and use with respect to confidential information disclosed by one Party to the other shall survive any termination of this Agreement for a period of one (1) year from the date of the initial disclosure. Notwithstanding, the obligation of confidentiality shall survive with respect to Customer Information as required by law or regulation.

## 8. **LIABILITY AND INDEMNIFICATION**

8.1. Liability and Indemnity. EACH PARTY ("INDEMNIFYING PARTY") HERETO AGREES TO RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE OTHER PARTY ("INDEMNIFIED PARTY"), ITS SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND AFFILIATES (AND THE SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS OF SUCH AFFILIATES) FROM ALL LOSSES, CLAIMS, DEMANDS, DAMAGES, EXPENSES, SUITS, OR OTHER ACTIONS, OR ANY LIABILITY

WHATSOEVER (INCLUDING COSTS AND REASONABLE ATTORNEY'S FEES) SUFFERED BY THE INDEMNIFIED PARTY ARISING OUT OF OR IN CONNECTION WITH (I) ANY CLAIM INVOLVING AN ALLEGATION OF INVASION OF PRIVACY ARISING, DIRECTLY OR INDIRECTLY, FROM THE ACT OR OMISSION OF THE INDEMNIFYING PARTY; (II) ANY INJURY TO OR DEATH OF ANY PERSON OR PERSONS CAUSED, DIRECTLY OR INDIRECTLY, BY THE ACTS OR OMISSIONS OF THE INDEMNIFYING PARTY, RESULTING FROM GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (III) ANY LOSS, DAMAGE, OR DESTRUCTION OF PROPERTY, WHETHER OR NOT OWNED BY THE INDEMNIFIED PARTY CAUSED, DIRECTLY OR INDIRECTLY, BY THE INDEMNIFYING PARTY; (IV) ANY ACTUAL OR ALLEGED DEFAMATION, LIBEL, SLANDER, INTERFERENCE WITH OR MISAPPROPRIATION OF PROPRIETARY OR CREATIVE RIGHT, OR ANY OTHER INJURY TO ANY PERSON OR PROPERTY ARISING OUT OF CONTENT TRANSMITTED BY THE INDEMNIFYING PARTY OR ITS END USERS.

8.2. **DISCLAIMER.** 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.

8.3. **LIMITATION OF LIABILITY.** EXCEPT TO THE EXTENT THE SAME ARISE OUT OF ANY BREACH OF AN INDEMNIFICATION OR CONFIDENTIALITY AGREEMENT OR OBLIGATION BETWEEN THE PARTIES, OR ARISE OUT OF A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL, INCLUDING, BUT NOT LIMITED TO, ECONOMIC LOSS OR LOST BUSINESS OR PROFITS, DAMAGES ARISING FROM THE USE OR PERFORMANCE OF EQUIPMENT OR SOFTWARE, OR THE LOSS OF USE OF SOFTWARE OR EQUIPMENT, OR ACCESSORIES ATTACHED THERETO, DELAY, ERROR, OR LOSS OF DATA DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER. IN CONNECTION WITH THIS LIMITATION OF LIABILITY, THE PARTIES RECOGNIZE THAT EITHER PARTY MAY, FROM TIME TO TIME, PROVIDE ADVICE, MAKE RECOMMENDATIONS, OR SUPPLY OTHER ANALYSIS RELATED TO THE SERVICES DESCRIBED IN THIS AGREEMENT, AND, EACH PARTY ACKNOWLEDGES AND AGREES THAT THIS LIMITATION OF LIABILITY SHALL APPLY TO PROVISION OF SUCH ADVICE, RECOMMENDATIONS, AND ANALYSIS.

