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January 14, 2011

Via Hand-Delivery

Chairman Mary W. Freeman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *Traffic Exchange Agreement by and between Peoples Telephone Company and Verizon Wireless*
Docket No. 11-00011

Dear Chairman Freeman:

Enclosed you will find an original and five (5) copies of the Traffic Exchange Agreement by and between Peoples Telephone Company and Verizon Wireless. Also enclosed is a check in the amount of \$25 for the filing fee.

This material is also being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please file the original and four copies of this material and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG:smb
Enclosures

TRAFFIC EXCHANGE AGREEMENT

BY AND BETWEEN

PEOPLES TELEPHONE COMPANY

AND

VERIZON WIRELESS

TABLE OF CONTENTS

- I. Article I
 - 1. Introduction
 - 2. Recitals

- II. Article II
 - 1. Definitions
 - 2. Interpretation and Construction
 - 3. Scope
 - 4. Service Agreement
 - 5. Compensation
 - 6. Notice of Changes
 - 7. General Responsibilities
 - 8. Term and Termination
 - 9. Cancellation Charges
 - 10. Severability
 - 11. Indemnification
 - 12. Limitation of Liability
 - 13. Disclaimer
 - 14. Regulatory Approval
 - 15. Change In Law
 - 16. Most Favored Nation
 - 17. Dispute Resolution
 - 18. Miscellaneous

Appendix A:

- A.I. Local Telecommunications Traffic
- A.II. InterMTA Traffic

I. ARTICLE I

1. INTRODUCTION

This traffic exchange and compensation agreement ("Agreement") is effective as of the 1st day of September, 2010 (the "Effective Date"), by and between Peoples Telephone Company ("Peoples"), with offices at 236 East Capitol Street, Jackson, MS. 39201, and Verizon Wireless Tennessee Partnership d/b/a Verizon Wireless ("VZW"), with an office and principal place of business at One Verizon Way, Basking Ridge, NJ 07920.

2. RECITALS

WHEREAS, Peoples is an incumbent Local Exchange Carrier in the State of Tennessee; and

WHEREAS, VZW is a Commercial Mobile Radio Service provider of two-way mobile communications services operating within the State of Tennessee; and

WHEREAS, Peoples's entry into this Agreement does not waive its right to maintain that it is a rural telephone company exempt from § 251(c) under 47 U.S.C. 251 (f) of the Communications Act of 1934, as amended; and

WHEREAS, Peoples and VZW respectively terminate traffic that is originated on the other's network and wish to establish traffic exchange and compensation arrangements for exchanging traffic as specified below.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Peoples and VZW hereby agree as follows:

II. ARTICLE II

1. DEFINITIONS

Special meanings are given to common words in the telecommunications industry, and coined words and acronyms are common in the custom and usage in the industry. Words used in this contract are to be understood according to the custom and usage of the telecommunications industry, as an exception to the general rule of contract interpretation that words are to be understood in their ordinary and popular sense. In addition to this rule of interpretation, the following terms used in this Agreement shall have the meanings as specified below:

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

- 1.2 "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than ten percent (10%).
- 1.3 "Central Office Switch" means a switch used to provide Telecommunications services, including, but not limited to:
- (a) "End Office Switch" is a switch in which the subscriber station loops are terminated for connection to either lines or trunks. The subscriber receives terminating, switching, signaling, transmission, and related functions for a defined geographic area by means of an End Office Switch.
 - (b) "Remote End Office Switch" is a switch in which the subscriber station loops are terminated. The control equipment providing terminating, switching, signaling, transmission, and related functions would reside in a host office. Local switching capabilities may be resident in a Remote End Office Switch.
 - (c) "Host Office Switch" is a switch with centralized control over the functions of one or more Remote End Office Switches. A Host Office Switch can serve as an end office as well as providing services to other remote end offices requiring terminating, signaling, transmission, and related functions including local switching.
 - (d) "Tandem Office Switch" is a switching system that establishes trunk-to-trunk connections. A Tandem Office Switch can provide host office or end office switching functions as well as the tandem functions. A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.
- 1.4 "Commercial Mobile Radio Services" or "CMRS" has the same meaning as defined in 47 C.F.R. § 20.3.
- 1.5 "Commission" means the Tennessee Regulatory Authority.
- 1.6 "Extended Area Service" or "EAS" is as defined and specified in Peoples's then current General Customer Services Tariff.
- 1.7 "Effective Date" means the date first above written.
- 1.8 "FCC" means the Federal Communications Commission.

- 1.9 "Interconnection" for purposes of this Agreement is the indirect or direct linking of Peoples and VZW networks for the exchange of Local Telecommunications Traffic described in this Agreement.
- 1.10 "InterMTA Traffic" is Telecommunications traffic, which, at the beginning of the call, originates in one MTA and terminates in another MTA.
- 1.11 "Local Service Area" means, for VZW, Major Trading Area Number 43 (Nashville) and for Peoples, the area contained in Peoples's then current General Customer Services Tariff on file with the Commission.
- 1.12 "Local Telecommunications Traffic" is defined for all purposes under this Agreement, as Telecommunications traffic that is originated on one Party's network, and terminated on the other Party's network within the same MTA. For purposes of determining originating and terminating points, the originating or terminating point for Peoples shall be the end office serving the calling or called party, and for VZW shall be the cell site location which services the calling or called party at the beginning of the call.
- 1.13 "Local Exchange Carrier" or "LEC" has the same meaning as defined in 47 U.S.C. § 153(26).
- 1.14 "Major Trading Area" or "MTA" means the Major Trading Areas as designated by the FCC in 47 C.F.R. § 24.202(a).
- 1.15 "Mobile Switching Center" or "MSC" is a switching facility that is an essential element of the VZW network which performs the switching for the routing of calls between and among VZW subscribers and subscribers in other mobile or landline networks. The MSC is used to interconnect trunk circuits between and among End Office Switches and Tandem Switches, aggregation points, points of termination, or points of presence and also coordinates inter-cell and inter-system call hand-offs and records all system traffic for analysis and billing.
- 1.16 "NPA" or the "Number Plan Area" also referred to as an "area code" refers to the three-digit code which precedes the NXX in a dialing sequence within the North American Numbering Plan (*i.e.*, NPA/NXX-XXXX).
- 1.17 "NXX" means the three-digit code, which appears as the first three digits of a seven-digit telephone number within a valid NPA or area code.
- 1.18 "Party" means either Peoples or VZW, and "Parties" means Peoples and VZW.

- 1.19 "Point of Interconnection" or "POI" means the technically feasible points of Interconnection between the Parties' respective networks where an originating Party's traffic is deemed to be handed off to the terminating Party's network for the purpose of applying Reciprocal Compensation charges.
- 1.20 "Rate Center" means a geographic area that is associated with one or more NPA-NXX codes that have been assigned to a Telecommunications Carrier for its provision of Telecommunications services.
- 1.21 "Reciprocal Compensation" means an arrangement between two carriers in which each receives compensation rate from the other carrier for the Transport and Termination on each carrier's network of Local Telecommunications Traffic that originates on the network facilities of the other carrier. For the purposes of this Agreement, such compensation, regardless of the Party that receives it, is symmetrical.
- 1.22 "Telecommunications" has the same meaning as defined in 47 U.S.C. § 153(43).
- 1.23 "Telecommunications Carrier" has the same meaning as defined in 47 U.S.C. § 153(44).
- 1.24 "Telecommunications services" has the same meaning as defined in 47 U.S.C. § 153(46).
- 1.25 "Termination" means the switching of Local Telecommunications Traffic at the terminating carrier's End Office Switch, or equivalent facility, and delivery of such traffic to the called party's premises or mobile handset.
- 1.26 "Transport" means the transmission and any necessary tandem switching of Local Telecommunications Traffic from the Point of Interconnection between the two carriers to the terminating carrier's End Office Switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

2.0 INTERPRETATION AND CONSTRUCTION

All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument or other third party offering, guide or practice, statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of a rule

or tariff as amended and supplemented from time-to-time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

3.0 **SCOPE**

- 3.1 This Agreement is intended, *inter alia*, to describe and enable Interconnection and Reciprocal Compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided for herein.
- 3.2 This Agreement sets forth the terms, conditions, and rates under which the Parties agree to interconnect the CMRS network of VZW and the ILEC network of Peoples for purposes of exchanging traffic, provided that the service provided by VZW to its customer is a two-way mobile service as defined in 47 U.S.C. § 153(27). This Agreement does not cover VZW one-way paging service traffic or fixed wireless. VZW does not currently provide fixed wireless services in Peoples's Local Service Area. VZW agrees that it will provide Peoples notice if it launches fixed wireless services in Peoples's Local Service Area. Upon Peoples's receipt of such notice, the Parties agree to negotiate an appropriate agreement or an Amendment to this Agreement, which will address the exchange of such traffic.
- 3.3 This Agreement relates to exchange of traffic originated on the Parties' respective networks. VZW represents that it is a CMRS provider of Telecommunications services to subscribers in MTA No. 43 (Nashville). Additions or changes to VZW's NPA/NXXs will be as listed in Telcordia's Local Exchange Routing Guide ("LERG") under Operating Company Number ("OCN") 6673. With respect to wireless-to-landline traffic, VZW shall not deliver traffic to Peoples that originates on a non-Party carrier's network.
- 3.4 With respect to landline-to-wireless traffic, this Agreement is limited to Peoples end user customers' traffic for which Peoples has authority to carry. Peoples's NPA/NXX(s) are listed in the LERG under OCN 0576.
- 3.5 Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party.

4.0 **SERVICE AGREEMENT**

Description of Arrangements:

This Agreement provides for the following Interconnection and arrangements between the networks of Peoples and VZW. Additional arrangements that may be mutually agreed to by the Parties in the future will be documented in a separate

written amendment to this Agreement. An NPA/NXX assigned to VZW, as well as numbers ported-in by VZW customers, shall be treated for rating purposes as local and included in any local or EAS calling scope, or similar program, to the same extent as any Peoples or other incumbent LEC's NPA/NXX in the same Rate Center provided that VZW assigns numbers from such NPA/NXX to, or ports-in numbers from, customers within the Local Service Area of Peoples and VZW has network facilities, or has arrangements for the use of network facilities, within the MTA to serve such customers.

4.1 Indirect Interconnection. Except as provided for in Section 4.2 below, the Parties shall exchange all Traffic indirectly. The originating Party shall be responsible for all third-party charges, if any, associated with the delivery of calls originated on its network to the terminating Party's network and all costs of the facilities linking its own switch(es) to the third-party provider.

4.2 Direct Interconnection. At VZW's option, one or more two-way trunk groups will be established between Peoples's Erin, TN End Office Switch and VZW's switch(es) serving Peoples's Local Service Area, with the POI designated at a technically feasible meet point on Peoples's network selected by VZW. Each Party shall be responsible for one hundred percent (100%) of all the transport facility costs both to (a) deliver traffic originating on its network to and (b) receive traffic originated on the other Party's network from, the meet point POI. This Agreement shall not preclude Peoples and VZW from entering into additional mutually agreed upon direct interconnection arrangements in the future.

4.2.1 If or when established, both Parties will use best efforts to route Local Service Area calls to the other Party over the direct interconnection facilities except in the case of an emergency or temporary equipment failure. Should either Party determine that the other Party is routing its originated Local Service Area calls indirectly, the originating Party agrees to update its routing and translations tables to move such traffic to the direct interconnection facilities within five (5) business days.

4.2.2 Where direct interconnection has been established, each Party will perform local number portability ("LNP") database queries on its originated traffic prior to routing any of its originated traffic over the direct interconnection facilities, and will only route traffic over the direct interconnection facilities to the extent the local routing number ("LRN") returned from such queries belongs to the other Party.

4.2.3 To the extent VZW exchanges Local Telecommunications Traffic with Peoples' Henry, TN exchange via direct interconnection at

West Tennessee Telephone's Bradford, TN End Office Switch, such Local Telecommunications Traffic shall be subject to the Direct Interconnection rate noted in § 5.1.

5.0 COMPENSATION

5.1 Traffic Subject to Reciprocal Compensation:

Reciprocal Compensation is applicable for Transport and Termination of Local Telecommunications Traffic and is related to the exchange of traffic described in § 4. For the purposes of billing Reciprocal Compensation for Local Telecommunications Traffic, billed minutes will be based upon actual conversation time, determined from usage recorded and/or records/reports provided by the transiting carrier. Measured usage begins when the terminating recording switch receives answer supervision from the called end-user and ends when the terminating recording switch receives or sends disconnect (release message) supervision, whichever occurs first. The measured usage is aggregated at the end of the measurement cycle and rounded to a whole minute. Billing for Local Telecommunications Traffic shall be based on the aggregated measured usage less traffic recorded as local that is deemed InterMTA Traffic based on the default factor provided in § 5.2.

The rate for Reciprocal Compensation for Local Telecommunications Traffic exchanged via Direct Interconnection shall be \$0.0100 per minute.

The rate for Reciprocal Compensation for Local Telecommunications Traffic exchanged via Indirect Interconnection shall be \$0.0125 per minute.

The Parties agree to bill each other for Local Telecommunications Traffic as described in this Agreement unless the Local Telecommunications Traffic exchanged between the Parties is 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 Telecommunications Traffic exchanged, both directly and indirectly, falls between 55% / 45% in either the wireless-to-landline or landline-to-wireless direction. When the actual usage data for three (3) consecutive months indicates that the Local Telecommunications 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 Reciprocal Compensation per minute. Upon written consent by the Party receiving the request, which shall not be withheld unreasonably, there will be no billing for Reciprocal Compensation on a

going forward basis unless otherwise agreed to by both Parties, in writing. The Parties' agreement to eliminate billing for Reciprocal Compensation carries with it the precondition regarding the Traffic Balance Threshold discussed above. As such, the two points have been negotiated as one interrelated term containing specific rates and conditions, which are non-separable for purposes of § 16, hereof.

5.2 InterMTA Traffic:

The Parties agree that traffic that is directly or indirectly delivered, may be rated and recorded as Local Telecommunications Traffic subject to Reciprocal Compensation, but may have originated and terminated in different MTAs and therefore, is InterMTA Traffic. Recognizing that neither Party currently has a way of accurately measuring this InterMTA Traffic, the Parties agree, for the purposes of this Agreement, to a factor of 3% as an estimate of InterMTA Traffic and that such traffic will be compensated at Peoples's switched access rates as set forth in Appendix A (i.e. 50% intra-state and 50% inter-state.

5.3 Calculation of Payments and Billing:

5.3.1 VZW will compensate Peoples for Local Telecommunications Traffic and InterMTA Traffic delivered to Peoples for termination to its customers, as prescribed in § 4 and at the rate provided in §§ 5.1 and 5.2. Peoples will compensate VZW for Local Telecommunications Traffic originated by Peoples customers on Peoples's network and delivered to VZW, for termination to its customers, as prescribed in § 4 and at the rate provided in § 5.1.

5.3.2 Billing Subject to the billing procedures set forth in Appendix A, each Party shall bill the other for calls which the billing Party terminates to its own customers and which were originated by the billed Party. Neither Party shall bill the other for traffic that is more than one hundred and eighty (180) days old.

5.3.3 Peoples will prepare its bill in accordance with its existing CABS / SECABS billing systems and VZW, where it has elected Mutual Billing pursuant to Appendix A, will prepare its bill in accordance with its existing process for billing Reciprocal Compensation. The Parties will make an effort to conform to current and future OBF (CABS BOS) standards, insofar as is reasonable. In addition, the Parties will abide by all signaling standards as described in § 7.6.

5.3.4 Each party may request to inspect, during normal business hours, the records which are the basis for any monthly bill issued by the other Party and to request copies thereof provided that the requested records do not exceed twelve (12) months in age from

the date the monthly bill containing said record information was issued.

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

5.3.5.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a *bona fide* dispute between the Parties, the Party billed (the "Non-Paying Party") shall, within thirty (30) days of its receipt of the invoice containing such disputed amount, give written 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 Non-Paying Party shall pay when due all undisputed amounts to the Billing Party. The Parties will work together in good faith to resolve issues relating to the disputed amounts. If the dispute is resolved such that payment of the disputed amount is required, whether for the original full amount or for the settlement amount, the Non-Paying Party shall pay the full disputed or settlement amounts with interest at the lesser of (i) one and one-half percent (1½%) per month or (ii) the highest rate of interest that may be charged under Tennessee applicable law. In addition, the Billing Party may initiate a complaint proceeding with the appropriate regulatory or judicial entity, if unpaid undisputed amounts become more than ninety (90) days past due, provided the Billing Party gives an additional thirty (30) days notice and opportunity to cure the default.

5.3.5.2 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1½%) per month or (ii) the highest rate of interest that may be charged under Tennessee applicable law.

5.3.5.3 Undisputed amounts shall be paid within thirty (30) days of receipt of invoice from the Billing Party.

5.3.6 All invoices under this Agreement shall be sent to:

VZW	Peoples
Mary London Verizon Wireless 575 Hickory Hills Blvd. Whites Creek, TN 37189 615-386-5119	Juanita Martin Peoples Telephone Company 236 East Capitol Street Jackson, MS 39201 Tel: 601-354-9070 Fax: 601-352-1210

6.0 NOTICE OF CHANGES

If a Party contemplates a change in its network, which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party, provided, however, that this provision shall not apply to changes necessitated by emergencies or other circumstances outside the control of the party modifying its network.

7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

- 7.1 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting and, consistent with § 5, measuring and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in an acceptable industry standard format, and to terminate the traffic it receives in that acceptable industry standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan. Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's customers, and subject to notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.
- 7.2 Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.
- 7.3 Each Party is responsible for managing NXX codes assigned to it.
- 7.4 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of the Common Language Location Identifier ("CLLI") assigned to its switches.

- 7.5 Each Party agrees to adhere to the blocking requirements for interconnection (P.01) as provided in Telcordia documentation GR145 - Core Compatibility for Interconnection of a Wireless Services Provider and a Local Exchange Company Network.
- 7.6 SS7 Out of Band Signaling (CCS/SS7) shall be the signaling of choice for interconnecting trunks where technically feasible for both Parties. Use of a third-party provider of SS7 trunks for connecting VZW to the Peoples SS7 systems is permitted. Such connections will meet generally accepted industry technical standards. Each Party is responsible for its own SS7 signaling and therefore, neither Party will bill the other SS7 signaling charges.
- 7.7 Each Party shall be responsible for its own independent connections to the 911/E911 network.
- 7.8 All originating traffic shall contain basic call information within the Initial Address Message (IAM) such as the calling number and will meet generally accepted industry technical standards. Altering of data parameters within the IAM shall not be permitted.
- 7.9 The Parties will offer service provider local number portability (LNP) in accordance with FCC rules and regulations. Service provider portability is the ability of users of Telecommunications services to retain, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one Telecommunications Carrier to another.
- 7.10 The Parties shall provide LNP query, routing, and transport services in accordance with rules and regulations as prescribed by the FCC and guidelines set forth by the North American Number Council ("NANC").

8.0 TERM AND TERMINATION

- 8.1 Subject to the provisions of § 14, the initial term of this Agreement shall be for a two-year term ("Term"), which shall commence on the Effective Date. This Agreement shall automatically renew for successive month-to-month periods, unless not less than sixty (60) days prior to the end of the Term or any renewal term, either Party notifies the other Party of its intent to terminate this Agreement or negotiate a successor agreement. In the case of a notice to terminate, the other Party may request negotiation of a successor agreement up to the end of the then-current term of this Agreement.

If either Party has requested the negotiation of a successor agreement as described above, then during the period of negotiation of the successor agreement, each Party shall continue to perform its obligations and provide the services described herein until such time as the successor agreement become effective. The rates, terms and conditions applying during the interim period between the end of the then-current term of this Agreement and when the successor agreement is executed shall be trued-up to be consistent with the rates, terms and conditions of the successor agreement reached through negotiation or arbitration.

If the Parties are unable to negotiate a successor agreement within the statutory time frame set for negotiations under the Act, then either Party has the right to submit this matter to the Commission for resolution pursuant to the statutory rules for arbitration under the Act. If the Parties are unable to negotiate a successor agreement by the end of the statutory time frame, or any mutually agreed upon extension thereof, and neither Party submits this matter to the Commission for arbitration, then the Agreement shall terminate at the conclusion of the statutory time frame or at the end of the extension to the statutory time frame.

- 8.2 The Parties have worked cooperatively to ensure there are no outstanding balances for the period prior to the Effective Date.
- 8.3 Upon termination or expiration of this Agreement in accordance with this Section:
 - (a) Each Party shall comply immediately with its obligations as set forth in this Agreement;
 - (b) Each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement;
 - (c) The provisions of § 11.0 and § 12.0 shall survive termination or expiration of this Agreement.
- 8.4 Either Party may terminate this Agreement in whole or in part in the event of a default of the other Party, provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and the defaulting Party does not implement mutually acceptable steps to remedy such alleged default within thirty (30) days after receipt of written notice thereof.

9.0 CANCELLATION CHARGES

Except as provided herein, no cancellation charges shall apply.

10.0 SEVERABILITY

10.1 The services, arrangements, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be non-severable. However, 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 time period, either Party may invoke dispute resolution procedures as set forth in this Agreement.

11.0 INDEMNIFICATION

11.1 Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party ("Indemnified Party") from and against loss, cost, claim liability, damage, and expense (including reasonable attorney's fees) to customers and other third parties for:

- (1) damage to tangible personal property or for personal injury proximately caused by the negligence or willful misconduct of the Indemnifying Party, its employees, agents or contractors;
- (2) claims for libel, slander, or infringement of copyright arising from the material transmitted over the Indemnified Party's facilities arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's customers; and
- (3) claims for infringement of patents arising from combining the Indemnified Party's facilities or services with, or the using of the Indemnified Party's services or facilities in connection with, facilities of the Indemnifying Party.

Notwithstanding this indemnification provision or any other provision in the Agreement, neither Party, nor its parent, partners, subsidiaries, affiliates, agents, servants, or employees, shall be liable to the other for Consequential Damages (as defined in § 12.3).

11.2 The Indemnified Party will notify the Indemnifying Party promptly 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 the defense of such claim, lawsuit or demand.

- (1) In the event the Indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the Indemnified Party may proceed to defend or settle said action and the Indemnifying Party shall hold harmless the Indemnified Party from any loss, cost liability, damage and expense.
- (2) In the event the Party otherwise entitled to indemnification from the other elects to decline such indemnification, then the Party making such an election may, at its own expense, assume defense and settlement of the claim, lawsuit or demand.
- (3) The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.

12.0 LIMITATION OF LIABILITY

- 12.1 No liability shall attach to either Party, its parents, subsidiaries, affiliates, agents, servants, employees, officers, directors, or partners for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, terminating, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.
- 12.2 Except as otherwise provided in § 11.0, no Party shall be liable to the other Party for any loss, defect or equipment failure caused by the conduct of the first Party, its agents, servants, contractors or others acting in aid or concert with that Party, except in the case of gross negligence or willful misconduct.
- 12.3 In no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

13.0 DISCLAIMER

EXCEPT AS OTHERWISE PROVIDED HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY AS

TO MERCHANTABILITY OR FITNESS FOR INTENDED OR PARTICULAR PURPOSE WITH RESPECT TO SERVICES PROVIDED HEREUNDER. ADDITIONALLY, NEITHER PARTY ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER PARTY WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD-PARTY.

14.0 REGULATORY APPROVAL

The Parties understand and agree that this Agreement will be filed with the Commission, and to the extent required by FCC rules may thereafter be filed with the FCC. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under § 252(e) of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission or FCC rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s). Further, this Agreement is subject to change, modification, or cancellation as may be required by a regulatory authority or court in the exercise of its lawful jurisdiction.

The Parties agree that their entrance into this Agreement is without prejudice to any positions they may have taken previously, or may take in future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements covered in this Agreement.

15.0 CHANGE IN LAW

The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based on the text of the Act and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date ("Applicable Rules"). In the event of any amendment to the Act, any effective legislative action or any effective regulatory or judicial order, rule, regulation, arbitration award, dispute resolution procedures under this Agreement or other legal action purporting to apply the provisions of the Act to the Parties or in which the FCC or the Commission makes a generic determination that is generally applicable which revises, modifies or reverses the Applicable Rules (individually and collectively, Amended Rules), either Party may, by providing written notice to the other party, require that the affected provisions of this Agreement be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions of each such Amended Rules relating to any of the provisions in this Agreement.

16.0 MOST FAVORED NATION PROVISION

In accordance with § 252(i) of the Act and 47 C.F.R. § 51.809, VZW shall be entitled to adopt from Peoples any entire Interconnection/Compensation agreement provided by Peoples that has been filed and approved by the Commission, for services described in such agreement, on the same terms and conditions. The term of the adopted agreement shall expire on the same date as set forth in the agreement that was adopted.

17.0 DISPUTE RESOLUTION

Except as provided under § 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without, to the extent possible, 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 dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

17.1 Informal Resolution of Disputes:

At the written request of a Party, each Party will, within thirty (30) days of such request, appoint a knowledgeable, responsible representative, empowered to resolve such dispute, to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that non-lawyer, business representatives conduct these negotiations. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

17.2 Formal Dispute Resolution:

If negotiations fail to produce an agreeable resolution within ninety (90) days, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanisms; provided, that upon mutual

agreement of the Parties such disputes may also be submitted to binding arbitration. In the case of an arbitration, each Party shall bear its own costs. The Parties shall equally split the fees of any mutually agreed upon arbitration procedure and the associated arbitrator.

17.3 Continuous Service:

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their payment obligations including making payments in accordance with this Agreement.

18.0 MISCELLANEOUS

18.1 Authorization:

18.1.1 Peoples is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

18.1.2 Verizon Wireless Tennessee Partnership d/b/a Verizon Wireless is duly organized, validly existing and in good standing under the laws of the state of Delaware, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

18.2 Compliance:

Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

18.3 Independent Contractors:

Neither this Agreement, nor any actions taken by VZW or Peoples in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between VZW and Peoples, or any relationship other than that of co-carriers. Neither this Agreement, nor any actions taken by VZW or Peoples in compliance with this Agreement, shall create a contractual, agency, or any other type of relationship or third party liability between VZW and Peoples end users or others.

18.4 Force Majeure:

Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions or any other circumstances beyond the reasonable control and without fault or negligence of the Party affected (collectively, a "Force Majeure Event"). If any Force Majeure Event occurs, the Party delayed or unable to perform shall give immediate notice to the other Party and shall take all reasonable steps to correct the Force Majeure Event. During the pendency of the Force Majeure Event, the duties of the Parties under this Agreement affected by the Force Majeure Event shall be abated and shall resume without liability thereafter.

18.5 Confidentiality:

18.5.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software and documentation of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, or agents (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be clearly and conspicuously marked "Confidential" or "Proprietary" or other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, such information: (i) shall be held in confidence by each Receiving Party; (ii) shall be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used by those persons only for such purposes; and (iii) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of such use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving

Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law, upon advice of counsel, only in accordance with § 18.5.2 of this Agreement.

18.5.2 If any Receiving Party is required by any governmental authority or by applicable law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then seek appropriate protective relief from all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief, which such Disclosing Party chooses to obtain.

18.5.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

18.6 Governing Law:

This Agreement shall be governed by Federal law, where applicable, and otherwise by the domestic laws of the State of Tennessee without reference to conflict of law provisions. Notwithstanding the foregoing, the Parties may seek resolution of disputes under this Agreement by the FCC, the Commission, or the Tennessee state court, or federal court, as appropriate.

18.7 Taxes:

Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax

exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide such sale for resale tax exemption certificate may result in no exemption being available to the purchasing Party.

18.8 Assignment:

This Agreement shall be binding upon the Parties and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a non-affiliated party without the prior written consent of the other Party which consent will not be unreasonably withheld; provided that either Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void *ab initio*. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

18.9 Non-Waiver:

Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

18.10 Notices:

Notices given by one Party to the other Party under this Agreement shall be in writing and shall be: (i) delivered personally; (ii) delivered by overnight express delivery service; or (iii) mailed, certified mail, return receipt requested to the following addresses of the Parties:

To: VZW	To: Peoples
Verizon Wireless 1120 Sanctuary Parkway, Suite 150 Alpharetta, GA 30009 Tel: 770-797-1224 Attn: Manager - Interconnection	James Garner Peoples Telephone Company 236 E. Capitol Street Jackson, MS. 39201 Tel: 601-354-9070
With a copy to:	With a copy to: Lisa Wigington – same address as above

Verizon Wireless 1300 I street, Suite 400 Washington, DC 20005 Attn: Regulatory Counsel, Interconnection	Copy to Regulatory Counsel Mr. Steve Kraskin Communications Advisory Counsel, LLC 2154 Wisconsin Ave. N.W. Washington, DC 20007 Tel: 202-333-1770
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or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of: (i) the date of actual receipt; (ii) the next business day when notice is sent *via* overnight express mail or personal delivery; or (iii) three (3) days after mailing in the case of certified U.S. Mail.

18.11 Publicity and Use of Trademarks or Service Marks:

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

18.12 Joint Work Product:

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

18.13 No Third Party Beneficiaries; Disclaimer of Agency:

This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a party as a legal representative or agent of the other Party; nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against, in the name of, or on behalf of the other Party, unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

18.14 No License:

No license under patents, copyrights, or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party, or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

18.15. Technology Upgrades:

Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise, provided it is to industry standards, and that the Party initiating the upgrade shall provide the other Party written notice at least ninety (90) days prior to the incorporation of any such upgrade in its network which will materially impact the other Party's service. Each Party shall be solely responsible for the cost and effort of accommodating such changes in its own network.

- 18.16. In order to facilitate trouble reporting and to coordinate the repair of Interconnection Facilities, trunks, and other interconnection arrangements provided by the Parties under this Agreement, each Party has established contact(s) 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.

24-Hour Network Management Contact:

<u>For Peoples:</u>	Steve Hall 931-289-4221
	Steve Hall 931-622-7313 (cell)
NOC/Repair:	LECNET 601-326-4837
E-mail:	Shall@TEC.com

<u>For VZW:</u>	
NOC/Repair:	800-264-6620
Fax:	682-831-3505

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.

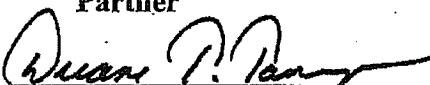
18.17 Entire Agreement:

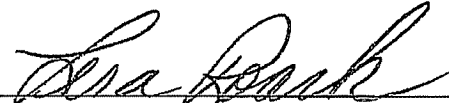
The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein are hereby incorporated into this Agreement by reference as if set forth fully herein, and constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates listed below.

**Verizon Wireless Tennessee
Partnership d/b/a Verizon Wireless
By: Cellco Partnership, Its General
Partner**

Peoples Telephone Company

By: 

By: 

for Name: Hans Leutenegger

Name: Lera Roark

Title: Area Vice President, Network

Title: Vice President

Date: DECEMBER 27, 2010

Date: December 22, 2010

APPENDIX A

I. LOCAL TELECOMMUNICATIONS TRAFFIC

A. Subject to the *de minimis* exception set forth below in section I.D. below, the Parties shall reciprocally and symmetrically compensate one another for Local Telecommunications Traffic that is terminated to their respective customers at the rates set forth in §§ 5.1 and 5.2 of the Agreement.

B. Billing Method

1. Based on Measurement/Records

- a. It is the responsibility of the billing party to determine the amount to be billed.
- b. Peoples may measure, or obtain industry standard records (e.g. EMI 11-01-01 records) summarizing traffic originated by VZW and terminating to Peoples. This information shall be used by Peoples for billing VZW for Traffic terminating to Peoples.
- c. VZW may either measure, obtain industry standard records summarizing traffic originated by Peoples and terminated to VZW, or elect to use Traffic Factor billing. This information may be used by VZW for invoicing Peoples for terminating traffic to VZW.
- d. To the extent that the Parties rely on industry standard records or reports, the Parties agree to accept those reports or records as an accurate statement of traffic exchanged between the Parties. Either Party may perform an audit of the other Party's billing information related to terminating minutes of use of the billed Party. The Parties agree that such audits shall be performed no more than one time per calendar year. Each Party shall bear its own expenses associated with such audit. The audits shall be conducted on the premises of the audited Party during normal business hours.
- e. To the extent that there are billing disputes regarding these records or reports, such disputes may be resolved before the Commission.

2. Based on Factors

- a. *Traffic Ratio*: In the event either Party is unable to measure traffic or VZW elects Traffic Factor billing pursuant to Section B.1, above, the Parties agree to the following Traffic Ratio Factors to estimate the proportion of total Traffic exchanged between the Parties' networks to be:

Mobile-to-Land	70%
Land-to-Mobile	30%

To the extent VZW or Peoples has, or subsequently obtains, the ability to measure terminating usage, VZW or Peoples may begin billing based on actual records.

- b. *Form of Billing:* When billing is based on Traffic Factors, VZW may elect to use either the Mutual Billing or Net Billing option as specified below.

(1) **Mutual Billing**

- (a) Peoples shall bill for 100% of the Traffic originated by VZW and terminated to Peoples; 97% of that Traffic shall be billed at the rates provided for above in Appendix A, Section I.A.; and 3% of that Traffic shall be billed as provided for in Appendix A, Section II.A. below.

*For example, if VZW terminated 50,000 MOUs to Peoples in a given month, the appropriate termination compensation rate for that traffic was \$.002, the interstate access rate was \$.03 and the intrastate access rate was \$.04, the bill would be calculated as follows: \$149.50 (i.e., $((50,000 \text{ MOUs}) * (.97) * ($.002)) + ((50,000 \text{ MOUs}) * (.015) * ($.030)) + ((50,000 \text{ MOUs}) * (.015) * ($.04))$).*

- (b) VZW shall calculate estimated Peoples terminating Traffic to VZW using the following formula: VZW shall bill Peoples based on the MOUs in (a) above $(50,000 * .97)$, divided by 0.70 (seventy percent). The total of the calculation shall then be multiplied by 0.30 (thirty percent) to determine the Traffic originated by Peoples and terminated to VZW.

*For example, if VZW terminated 50,000 MOUs to Peoples in a given month, bill would be calculated as follows: \$41.57 (i.e., $(50,000 \text{ MOUs} * .97) * (30/70) * ($.002)$).*

(2) **Net Billing**

Peoples shall calculate and render a "net bill" to VZW by applying the Traffic Ratio Factors to the total MOUs of Traffic originated by VZW and terminated to Peoples. Peoples shall calculate its "net bill" to VZW using the following formula:

- (a) Peoples shall calculate the gross amount owed by VZW as provided above in Appendix A., Section I.B.2.b(1)(a).

- (b) Peoples shall take total minutes of VZW Traffic terminated by Peoples in a given month and divide that number by the Mobile-to-Land factor of 70%;
- (c) Peoples shall multiply the number calculated in "(b)" by the Land-to-Mobile factor of 30%;
- (d) Peoples shall multiply the number calculated in (c) by the appropriate rate in Appendix A., Section I.A.
- (e) Peoples shall subtract the charge calculated in "(d)" from the charge calculated in (a).

For example, if VZW terminated 50,000 MOUs to Peoples in a given month, the appropriate termination compensation rate for that traffic was \$.002, the interstate access rate was \$.03 and the intrastate access rate was \$.04, the net bill would be calculated as follows: \$149.50 (see above) – \$41.57 (see above) = \$107.93.

- C. **Billing Interval:** Either Party may elect to bill on a monthly or quarterly basis. If either Party wishes to revise its billing method it may do so upon (30) thirty days' written notice to the other Party.
- D. **De Minimis Exemption:** In the event the traffic exchanged between the Parties is *de minimis* such that the minutes originated by VZW is less than 5000 minutes of use for a one-month period, the Parties agree that the only compensation for such traffic will be in the form of the reciprocal Transport and Termination service provided by the other Party, and no billings will be issued by either Party.

II. INTERMTA TRAFFIC

- A. **Traffic Ratio:** The Parties agree to the following InterMTA Traffic Factor to estimate the proportion of the InterMTA traffic originated on VZW's network and terminated on Peoples's network:
 - 1. 3% of terminating VZW MOUs.
 - 2. The 3% interMTA factor will be paid only by VZW and will be split evenly (50/50) between intrastate and interstate jurisdictions (i.e., 50% will be charged at Peoples's tariffed intrastate access rates and 50% will be charged at Peoples's tariffed interstate access rates).