



Vantage Point

Customer Focused. Technology Driven.

RECEIVED
OCT 10 2006
**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

October 6, 2006


Ms. Patty Van Gerpen
Executive Director
SD Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Re: Interconnection/Reciprocal Compensation Agreement
Sancom - Alltel

Dear Ms. Van Gerpen:

Enclosed are the original and ten copies of a negotiated Interconnection and Reciprocal Compensation Agreement between Sancom, Inc. and Alltel Communications, Inc. Please docket and schedule the same for approval by the Commission. If you have questions about this matter, please contact me. Thank you in advance for the Commission's consideration of this request.

Sincerely,


Doug Eidahl
VP of Consulting

Enclosures

cc: Ryan Thompson
Ron Williams
Talbot J. Wiczorek

RECEIVED

OCT 10 2006

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**INTERCONNECTION AND RECIPROCAL COMPENSATION
AGREEMENT**

By and Between

Sancom, Inc.

And

Alltel Communications, Inc.

For the State of

South Dakota

Table of Contents

1.	Definitions
2.	Interpretation and Construction
3.	Scope
4.	Interconnection Methods and Facilities
5.	Routing of Traffic
6.	Compensation
7.	Billing and Payment
8.	Notice of Changes
9.	General Responsibilities of the Parties
10.	Term and Termination
11.	Cancellation Charges
12.	Non-Severability
13.	Indemnification
14.	Auditing Procedures
15.	Limitation of Liability
16.	Disclaimer
17.	Regulatory Approval
18.	Pending Judicial Appeals and Regulatory Reconsideration
19.	Most Favored Nation Provision
20.	Compliance
21.	Independent Contractors
22.	Force Majeure
23.	Confidentiality
24.	Governing Law
25.	Assignment
26.	Release
27.	Non-Waiver
28.	Notices
29.	Trouble Reporting
30.	Publicity and Use of Trademarks or Service Marks
31.	No Third Party Beneficiaries; Disclaimer of Agency
32.	No License
33.	Technology Upgrades
34.	Entire Agreement
35.	Dispute Resolution

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

This Interconnection and Reciprocal Compensation Agreement (“Agreement”) is effective as of the 1st day of November 2005 (the “Effective Date”), by and between Sancom, Inc. dba Mitchell Telecom [“MT”] with offices at 1801 N. Main Street, Mitchell, South Dakota and Alltel Communications, Inc. a Delaware corporation, for itself and its wireless affiliates and solely with respect to its operations as a CMRS provider (“Alltel”) with offices at One Allied Drive, Little Rock, Arkansas 72202. Hereinafter, “Party” means either MT or Alltel and “Parties” means MT and Alltel.

WHEREAS, Alltel is authorized by the Federal Communications Commission (“FCC”) to provide Commercial Mobile Radio Services (“CMRS”);

WHEREAS, MT is a competitive local exchange carrier (“CLEC”) holding a certificate of authority to provide local exchange telecommunications services in certain exchanges within the state of South Dakota.

WHEREAS, MT and Alltel exchange calls between their networks and wish to establish Interconnection and Reciprocal Compensation arrangements for exchanging traffic as specified below;

WHEREAS, the parties intend this Agreement provide for the mutual exchange and reciprocal compensation of Telecommunications Traffic, and which is intended to supercede any previous arrangements between the Parties relating to such Telecommunications Traffic.

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, MT and Alltel hereby agree as follows:

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 (47 U.S.C. Section 151 *et seq.*), as amended.

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

- 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 10 percent.
- 1.3. **“Central Office Switch”** means a MT switch used to provide Telecommunications Services, including, but not limited to the following:
- (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, 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, and related functions would reside in a Host Office Switch. 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 Switch as well as providing services to other Remote End Offices requiring terminating, signaling, and related functions including local switching.
- (d) **“Tandem Switch”** is a switching system that connects and switches trunk circuits between and among Central Office Switches, Mobile Switching Centers, and IXC networks. A Tandem Switch can also provide Host Office Switch or End Office Switch functions.
- A Central Office Switch may also be employed as a combination of any or all of the above switch types.
- 1.4. **“Commercial Mobile Radio Services”** or **“CMRS”** has the meaning given to the term in the Part 20, FCC Rules
- 1.5. **“Commission”** means the Public Utilities Commission of South Dakota.
- 1.6. **“Direct Interconnection”** means either a one-way or two-way connection between the MT network and the Alltel network.
- 1.7. **“End User”** means, whether or not capitalized, any business, residential or governmental customer of services provided by a Party, and includes the term “Customer”. More specific meanings of either of such terms are dependent upon the context in which they appear in the Agreement and the provisions of the Act.
- 1.8. **“FCC”** means the Federal Communications Commission.

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

- 1.9. **“Interconnection”** has the meaning given the term in the Act and refers to the services, equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of Telecommunications Traffic.
- 1.10. **“Interexchange Carrier”** or **“IXC”** means a carrier that provides or carries, directly or indirectly, toll traffic.
- 1.11. **“InterMTA Traffic”** is Traffic that originates in one MTA and terminates in a different MTA.
- 1.12. **“Local Service Area”** means, for Alltel originated traffic, all intraMTA traffic and for MT originated traffic, its local calling area inclusive of Intracompany Extended Area Service (EAS) that identify a rate center where the originating caller has local calling to any MT NPANXX in that rate center.
- 1.13. **“Local Exchange Carrier”** or **“LEC”** is as defined in the Act.
- 1.14. **“Local Traffic”** for the purposes of this Agreement, means: (1) for wireless to wireline calling, traffic exchanged between Alltel and MT that, at the beginning of the call originates and terminates within the same MTA; (2) for wireline to wireless calling, traffic exchanged between MT and Alltel that originates with a landline MT customer and terminates to an Alltel NXX that has its rate center within the same MT exchange or within the Wireline Local Calling Area of a MT exchange.
- 1.15. **“Location Routing Number”** or **“LRN”** is a ten digit routing number that identifies the terminating switch for a telephone number that has been ported.
- 1.16. **“Major Trading Area”** or **“MTA”** means Major Trading Area as defined by the FCC in 47 C.F.R. Part 24.202(a).
- 1.17. **“Mobile Switching Center”** or **“MSC”** means Alltel facilities and related equipment that perform the switching for the routing of calls from and among its End Users and other Telecommunications Carrier networks. The MSC is also used to connect and switch trunk circuits within the Alltel network and between the Alltel network and the public switched telephone network.
- 1.18. **“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 and identifies the general calling area within the North American Numbering Plan scope to which a call is routed to (i.e., NPA/NXX-XXXX).
- 1.19. **“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.

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

- 1.20. **"Party"** means either MT or Alltel, and **"Parties"** means MT and Alltel.
- 1.21. **"Point of Interconnection"** or **"POI"** means that technically feasible point of demarcation where the exchange of traffic between the Parties takes place.
- 1.22. **"Rate Center"** means the specific geographic point and corresponding geographic area that is associated with one or more NPA-NXX codes that have been assigned for its provision of telecommunications services.
- 1.23. **"Reciprocal Compensation"** means an arrangement between two carriers in which each receives compensation from the other carrier for the Transport and Termination on each carrier's network of Telecommunications Traffic that originates on the network facilities of the other carrier.
- 1.24. **"Telecommunications"** means the transmission, between or among points specified by the End User, of information of the End User's choosing, without change in the form or content of the information as sent and received.
- 1.25. **"Telecommunications Carrier"** means any provider of Telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in 47 U.S.C. Section 226(a)(2)).
- 1.26. **"Telecommunications Traffic"** or **"Traffic"** is Telecommunications that is originated and terminated between MT and Alltel within the same Major Trading Area (MTA), regardless of whether it is transported by a third party. Telecommunications Traffic includes Local Service Area Traffic, InterMTA Traffic, and Transiting Traffic.
- 1.27. **"Termination"** means the switching of Telecommunications Traffic at the terminating carrier's End Office Switch, or equivalent facility, and delivery of such traffic to the called party.
- 1.28. **"Third Party Provider"** shall mean any facilities-based telecommunications carrier, including, without limitation, independent telephone companies, or competitive local exchange carriers that carry Transiting Traffic. The term shall not mean resellers of a LEC's local exchange services or resellers of a CMRS service.
- 1.29. **"Transiting Traffic"** means Telecommunications Traffic between two Telecommunications Carriers, carried by a Third Party Provider that neither originates nor terminates that traffic on its network while acting as an intermediary.
- 1.30. **"Transport"** means the transmission and any necessary tandem switching of Telecommunications Traffic subject to §251(b)(5) of the Act from the

interconnection point between two carriers to the terminating carrier's end office switch that directly serves the called Party, or equivalent facility provided by a third party provider.

- 1.31. "Wireline Local Calling Area" is the area to which a MT wireline customer can call another MT wireline customer without incurring toll charges, including any extended service area.

2. Interpretation and Construction

All references to Sections and Attachments shall be deemed to be references to Sections of, and Attachments to, this Agreement unless the context shall otherwise require. The headings of the Sections and Attachments 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).

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

The Parties enter into this Agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters, including matters related to the rates to be charged for Transport and Termination of Traffic or the types of arrangements prescribed by this Agreement.

3. Scope

This Agreement is intended, *inter alia*, to describe and enable specific Interconnection and Reciprocal Compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided for herein.

This Agreement establishes the methodology for the exchange of and compensation for traffic originated on the network of Alltel, transited via the network of a Third Party Provider and terminated on the network of MT, or delivered directly to, and terminated by MT, or originated on the network of MT, transited via the network of a Third Party Provider and terminated on the network of Alltel, or delivered directly to, and terminated by Alltel.

Pursuant to this Agreement, the Parties will extend certain arrangements to one another as needed to meet the requirements of this Agreement. This Agreement reflects a balancing of interests critical to the Parties.

3.1 Each Party's NPA/NXXs and network routing information are listed in Telcordia's Local Exchange Routing Guide ("LERG"). The Operating Company Number ("OCN") for each Party in the state of South Dakota are:

3.1.1 Alltel OCNs: 5037 and 6515

3.1.2 MT OCN: 682C

3.2 The Parties have not addressed the basis for intercarrier compensation relating to enhanced services and Internet traffic. The Parties agree that such traffic between them, if any, is presently de minimis. If a Party has reason to believe that enhanced service and Internet traffic is not de minimis, that Party may reopen negotiations to determine an appropriate method for identifying, transporting, and determining the compensation for such traffic. If the Parties are unable to reach agreement, the matter shall be resolved using the arbitration procedures under the Act.

3.3 The Parties agree that this Agreement does not provide for the exchange of 911/E911 traffic.

4. Interconnection Methods and Facilities

This Section describes the methods with which the Parties to this Agreement may interconnect their respective networks for the Transport and Termination of traffic.

4.1. Indirect Method of Interconnection. Either Party may choose to deliver traffic from its network through a Third Party Provider and thus be indirectly connected with the other Party for the delivery of Traffic originated on its network.

4.2. Direct Interconnection.

4.2.1. Direct Interconnection facilities provide a trunk side connection between the Parties' networks. Alltel will have access via a single POI for termination of all Local Traffic to MT's network. The parties shall mutually agree on the location of the POI.

4.2.2. Upon mutual agreement of the Parties, Direct Interconnection facilities may be either One-Way or Two-Way facilities. When both Parties agree to utilize two way facilities, charges will be shared by the Parties on a proportional percentage basis as specified in Section 7.9.4. The Parties agree to review actual minutes transported on shared two way facilities and modify the percentages specified in Attachment A Section 4.0 no

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

more than twice annually. If warranted by actual usage, the facility factor percentages shall be revised accordingly and shall be applied in the next billing cycle following the Traffic review.

- 4.2.3. The Parties shall provide each other a forecast of projected Traffic volume for each point of interconnection when significant changes in traffic patterns are anticipated. The Parties agree to work cooperatively to determine the number of trunks needed to handle the estimated traffic.
- 4.3. Facility Locations. Alltel may directly connect with MT's network at any technically feasible point and as mutually agreed to by the parties. Initially the parties plan to indirectly connect.
- 4.4. Direct Interconnection Methods Available to Alltel. Alltel may provide its own facilities and transport for the delivery of traffic from its network to a POI with MT's network. Alternatively, Alltel may purchase an entrance facility and transport from a Third Party Provider or from MT for the delivery of such traffic. Rates for entrance facilities and transport purchased from MT are specified in MT's Intrastate Special Access Price List.
- 4.5. Technical Requirements and Standards. Each Party will provide the services in this Agreement to the other Party at a standard at least equal in quality and performance to that which the Party provides itself and others. Either Party may request, and the other Party will provide, to the extent technically feasible, services that are superior or lesser in quality than the providing Party provides to itself, provided, however, that such services shall be considered special requests, and will be handled on a case-by-case basis.
- 4.6. Impairment of Service.
- 4.6.1. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public ("Impairment of Service").
- 4.6.2. If either Party causes an Impairment of Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to

work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

5. Routing of Traffic

This Section provides the terms and conditions for the proper routing exchange of traffic between the Parties' respective networks.

- 5.1. Indirect Connection via a Third Party Provider. As an alternative to routing Local Traffic covered by this agreement through a Direct Interconnection, either Party may choose to route traffic from its network through a Third Party Provider to the terminating Party's POI with the Third Party Provider.
- 5.2. Mobile to Land Traffic – Direct Interconnection. Alltel shall be responsible for the delivery of Traffic from its network to the appropriate Point of Interconnection within MT's network for the Transport and Termination of such traffic by MT to one of its End Users.
- 5.3. Land to Mobile Traffic – Direct Interconnection.
 - 5.3.1. MT shall be responsible for the delivery of Local Traffic from its End Users connected to its network to the appropriate Point of Interconnection with Alltel's network for the Transport and Termination of such traffic by Alltel to an End User.
 - 5.3.2. MT shall deliver all originating Local Traffic bound for Alltel to any direct connection(s) between the parties.
- 5.4. Dialing Parity. Both Parties agree to adhere to dialing parity obligations including 'N-1 carrier' routing obligations. For any NPA-NXX line numbers assigned to Alltel that have a rate center associated with a Local or EAS exchange or similar program, MT will route all land-to-mobile traffic to Alltel as local traffic utilizing End User dialing patterns undifferentiated from those provided to any carrier's number assigned to the same rate center.

6. Compensation

The Parties agree to the rates referenced herein for the services to be provided pursuant to this Agreement.

- 6.1. Local Traffic. The Parties shall reciprocally and symmetrically compensate one another for Local Traffic at a rate of \$0.008 per minute of use.
- 6.2. InterMTA Traffic. The Parties contemplate that they may exchange InterMTA Traffic under this Agreement. Alltel shall compensate MT for wireless to wireline InterMTA Traffic at a rate of \$0.03 per minute of use. The Parties have

developed an InterMTA factor to determine the amount of Traffic that shall be treated as InterMTA traffic. The InterMTA factor is 8.5% of non-IXC routed Alltel originated traffic terminated to MT's network.

- 6.3. Bill-and-Keep. If Local Traffic exchanged between the parties is determined to be within plus or minus five (5) percentage points of fifty (50) percent of the Traffic originated by both parties (i.e., within 45% to 55% of total two-way traffic), all Local Traffic will be compensated using bill and keep, such that neither party shall bill the other pursuant to Section 6.

7. Billing and Payment

- 7.1. The Parties shall bill each other on a monthly basis for the services provided under this Agreement in accordance with the rates and charges set forth in Section 6.
- 7.2. Each Party will only charge the other Party for actual usage, except that Alltel will be relieved of this obligation so long as the Reciprocal Compensation Credit method of billing is used.
- 7.3. In the event actual detailed billing records are not available (*e.g.* if traffic is routed via a Third Party Provider), summary billing reports may be utilized.
- 7.4. Usage measurement for calls shall begin when Answer Supervision or equivalent SS7 message is received from the terminating office and shall end at the time of call disconnect by the calling or called customer, whichever occurs first.
- 7.5. Minutes of use ("MOU"), or fractions thereof, shall not be rounded upward on a per-call basis, but will be accumulated over the billing period. At the end of the billing period, any remaining fraction shall be rounded up to the nearest whole minute to arrive at total billable minutes for each Interconnection. MOU shall be collected and measured in minutes, seconds, and tenths of seconds.
- 7.6. Each Party shall include sufficient detail of MOUs on its invoices to enable the other Party to reasonably verify the accuracy of the usage, charges, and credits.
- 7.7. The Parties shall pay invoiced amounts within forty-five (45) days of receipt of the invoice. For invoices not paid when due, late payment charges will be assessed on the past due balance, until paid, at a rate equal to 12% per annum, except as provided in Section 7.14.
- 7.8. In the event the Traffic terminated on the Parties' respective networks is at or below 5,000 minutes per month, the Traffic shall be accumulated until at least 5,000 minutes are billable.
- 7.9. Alltel may elect to use a Reciprocal Compensation Credit in lieu of submitting

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

invoices to MT for Reciprocal Compensation.

- 7.9.1. Alltel shall provide MT not less than sixty (60) days prior written notice when changing its election to use actual recorded MOU to bill MT rather than receive the Reciprocal Compensation Credit. In such event, Alltel will then be responsible for measuring the monthly Telecommunications Traffic, measured by minutes of use, terminating into its network from MT's network and shall bill MT on a going forward basis using the rates set forth in Section 6.
- 7.9.2. The Reciprocal Compensation Credit amount shall be determined by MT monthly, and reflected on the MT invoice to Alltel as a credit against the amounts due and payable from Alltel to MT.
- 7.9.3. The reciprocal compensation credit will be calculated as follows: Divide the total number of monthly measured minutes of use originated by Alltel and terminated on MT's network by the Alltel to MT Traffic Factor. The total calculation will then be multiplied by the MT to Alltel Traffic Factor to arrive at the total MT minutes of use terminated on Alltel's network per month. This monthly total will be multiplied by the rates set forth in Section 6.1 to obtain the Reciprocal Compensation Credit for the month. For example, MT determines that 10,000 minutes of Alltel originated Traffic has been delivered to it in a given billing period: The Parties will assume that 4,286 minutes of land originated calls were delivered by MT to Alltel for termination ($10,000/.70$ multiplied by $.30$).
- 7.9.4. It is agreed that the following Traffic Factors represent a reasonable estimate of the ratio of Traffic originated and terminated by the Parties, considering the anticipated mix of Traffic routed between the parties.

Default MT to Alltel Traffic Factor 30%
Default Alltel to MT Traffic Factor 70%

Either Party may, at its option, request modification of the Traffic Factors, on a going forward basis, based on the results of a traffic study conducted for Traffic originated by or terminating to the Party's End Users. These factors may be modified, but no more than once annually. If the Parties are unable to reach agreement for modification of the Traffic Factors, either Party may request resolution of the dispute pursuant to Section 34 of this Agreement.

- 7.10. Taxes. The Party collecting revenue shall be responsible for collecting, reporting and remitting all appropriate taxes associated therewith. MT is responsible for taxes on MT revenues and Alltel is responsible for taxes on Alltel revenues whether or not shown as a credit on the MT invoice to Alltel.
- 7.11. Billing notices. All bills rendered by one Party to the other Party under this

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

Agreement shall be delivered to the following locations.

Alltel Communications, Inc.

Alltel Communications, Inc.
c/o Control Point Solutions
3655 North Point Pkwy
Suite 200
Alpharetta, GA 30005
Attn: Erika Owens

Sancom, Inc.

Mitchell Telecom
1801 North Main Street
Mitchell, South Dakota 57301
Attn: Accounts Payable

- 7.12. Billing inquiries. All bill inquiries by one Party to the other Party under this Agreement shall be directed to the following locations.

Alltel Communications, Inc.

Wholesale Billing Services

Phone Number: 1-800-351-4241

Email: ACI.CABS.Alltel.com

Sancom, Inc.

Mitchell Telecom

Phone Number: 605-990-1000

- 7.13. Escalations. Each Party will provide to the other Party an escalation list for their respective billing department and the appropriate department with the authority to issue payment on a bill.
- 7.14. Disputed Amounts. If any portion of an amount due to a billing Party under this Agreement is subject to a dispute between the Parties, the billed Party shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the billing Party of the invoiced amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Parties agree that they will each make a good faith effort to resolve any Disputed Amounts in accordance with the Dispute Resolution process in Section 35 of this Agreement. The billed Party shall pay when due all undisputed amounts to the billing Party. A Party may, by notice, include a prospective notice of Disputed Amounts applicable to future invoices. If the Disputed Amount is resolved in favor of the billing Party, the billed Party shall pay any unpaid Disputed Amount with late charges at the rate of twelve percent (12%) per annum calculated from the date the Disputed Amount was originally due upon final determination of such dispute.

8. 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) day's advance written notice of such change to the other Party.

9. General Responsibilities of the Parties

- 9.1. 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.
- 9.2. Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.
- 9.3. Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of the Common Language Location Identifier ("CLLI") assigned to its switches.
- 9.4. Each Party shall use the LERG published by Telcordia or its successor for obtaining routing information and shall provide all required information to Telcordia for maintaining the LERG in a timely manner.
- 9.5. SS7 Out of Band Signaling (CCS/SS7) shall be the signaling of choice for interconnecting trunks, where it is technically feasible for both Parties. Use of a third Party provider of SS7 trunks, for connecting Alltel to the MT SS7 systems is permitted. Such connections shall meet generally accepted industry technical standards. Each Party shall utilize SS7 at its own cost for all interchanged traffic irrespective of interconnection methodology.
- 9.6. 911/E911 Each Party shall be responsible for its own independent connections to the 911/E911 network.

10. Term and Termination

- 10.1. The initial term of this Agreement shall be a one-year term which shall commence on the Effective Date. This Agreement shall automatically renew for additional one (1) month terms until replaced by another agreement or terminated by either Party upon (ninety) 90 days written notice to the other Party prior to the termination of the initial term or renewed term.
- 10.2. Upon termination or expiration of this Agreement in accordance with this Section:

- 10.2.1. Each Party shall continue to comply with its obligations under the Act and as set forth in Section 23 Confidentiality;
 - 10.2.2. Each Party shall promptly pay all undisputed amounts (including any late payment charges) owed under this Agreement;
 - 10.2.3. Each Party's indemnification obligations shall survive termination or expiration of this Agreement.
- 10.3. 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.
- 10.4. If, upon expiration or termination, either Party requests the negotiation of a successor agreement, 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 becomes effective. During the pendency of said re-negotiations, the rates, terms and conditions of this Agreement shall prevail on an interim basis until a new Agreement is effectuated or until the Parties negotiations expire.

11. Cancellation Charges

Except as provided herein, no cancellation charges shall apply.

12. Non-Severability

- 12.1. 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.
- 12.2. 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.

13. Indemnification

- 13.1. 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:

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT

Alltel Communications, Inc. and Sancom, Inc.

South Dakota

- 13.1.1. 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;
- 13.1.2. 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
- 13.1.3. 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.

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

Notwithstanding this indemnification provision or any other provision in the Agreement, neither Party, nor its parent, subsidiaries, Affiliates, agents, servants, or employees, shall be liable to the other for Consequential Damages (as defined in Section 15.3).

- 13.2. 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.
 - 13.2.1. 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.
 - 13.2.2. 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.
 - 13.2.3. The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.
 - 13.2.4. Neither Party shall accept the terms of a settlement that involves or affects the rights or obligations of the other Party in any matter without the other Party's approval.

14. Auditing Procedures

- 14.1. Upon thirty (30) days written notice, each Party must provide the other Party the ability and opportunity to conduct an annual audit to ensure the proper billing of traffic between the parties. The audit shall be accomplished during normal business hours. Audit requests shall not be submitted more frequently than one (1) time per calendar year.
- 14.2. Each Party may request copies of the billing records of the other Party provided that the requested records do not exceed 12 months in age from the date the monthly bill containing said record information was issued.

15. Limitation of Liability

- 15.1. 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.
- 15.2. Except as otherwise provided in Section 13, 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.
- 15.3. Except as otherwise provided in Section 13, no Party will 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.

16. 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.

17. Regulatory Approval

Upon execution of this Agreement, MT shall file this Agreement with the appropriate state regulatory agency. Each Party covenants and agrees to fully support approval of this Agreement by the Commission. 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 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). If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such regulatory actions shall be resolved pursuant to the Section 35 Dispute Resolution process provided for in this Agreement. 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.

18. Pending Judicial Appeals and Regulatory Reconsideration

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. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Parties shall utilize the Dispute Resolution procedure set forth in Section 35 of this Agreement.

19. Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules and regulations applicable to its performance under this Agreement.

20. Independent Contractors. Neither this Agreement, nor any actions taken by Alltel or MT in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between Alltel and MT, or any relationship other than that of purchaser and seller of services. Neither this Agreement, nor any actions taken by Alltel or MT in compliance with this Agreement, shall create a contractual, agency, or any other type of relationship or third Party liability between Alltel and MT end users or others.

21. 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 the fault or negligence of the Party affected. (collectively, a "Force Majeure Event"). If any Force Majeure condition 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 condition. In the event of such delay, the delayed Party shall perform its obligations at a performance level no less than that which it uses for its own operations. In the event of such performance delay or failure the delayed Party agrees to resume performance in a nondiscriminatory manner and not favor its own provision of Telecommunications Services above that of the affected Party. During the pendency of the Force Majeure, the duties of the Parties under this Agreement affected by the Force Majeure condition shall be abated and shall resume without liability thereafter.

22. Confidentiality

22.1. 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 Section 22.2 of this Agreement.

22.2. 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

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

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.

- 22.3. 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.
23. **Governing Law.** For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the FCC, the exclusive jurisdiction and remedy for all such claims shall be as provided for by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the Commission, the exclusive jurisdiction for all such claims shall be with the Commission, and the exclusive remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the state of South Dakota without reference to conflict of law provisions.
- The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be adopted by any federal, state, or local government authority. Any modifications to this Agreement occasioned by such change shall be effected through good faith negotiations.
24. **Assignment.** Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third 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.
25. **Release.** In resolution of the Parties rights, and in further consideration of this Agreement, each Party releases, acquits and discharges the other Party of and from any claim, debt, demand, liability, action or cause of action arising from or relating to the payment of money for the transport and termination of traffic prior to the Effective Date of this Agreement.

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

26. **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.
27. **Notices.** Notices given by one Party to the other Party under this Agreement shall be in writing and shall be delivered to the following locations.

Alltel Communications, Inc.

Alltel Communications, Inc.
One Allied Drive
Mailstop: 1269-B5F04-D
Little Rock, Arkansas 72202
Attn: Director – Wireless Interconnection
Phone: 501-905-8000
Fax: 501-905-6299

Sancom, Inc.

Mitchell Telecom
1801 North Main Street
Mitchell, South Dakota 57301
Attn: General Manager
Phone: 605-990-1000
Fax: 605-990-1010

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 express mail or personal delivery; (iii) three (3) days after mailing in the case of certified U.S. mail.

28. **Trouble Reporting.** 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.

28.1. 24 Hour Network Management Contact:

MT Contact Number: (605) 990-1212

Alltel Contact Number: 330-650-7900

- 28.2. 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.
- 28.3. Each Party will provide to the other Party an escalation list for the repair center, ordering and provisioning center and the account management team.

29. **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.
30. **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.
31. **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.
32. **Technology Upgrades.** Nothing in this Agreement shall limit either Parties' 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.
33. **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 in writing signed by each Party.
34. **Dispute Resolution**
- Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the state commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

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.

- 34.1. Informal Resolution of Disputes. At the written request of a Party, each Party will 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 these negotiations be conducted by non-lawyer, 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 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.
- 34.2. Formal Dispute Resolution. If negotiations fail to produce an agreeable resolution within one hundred twenty days (120) 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 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.
- 34.3. 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 in accordance with this Agreement.
- 34.4. Costs. Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitration and the arbitrator; provided, however, that the arbitrator may assign costs to the Party demanding arbitration upon a finding that such Party brought a frivolous cause of action or claim.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

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

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT
Alltel Communications, Inc. and Sancom, Inc.
South Dakota

Alltel Communications, Inc.

Sancom, Inc.

Gene Dejordy
Name

Ryan D. Thompson
Name

Signature

Signature

9/4/06
Signature Date

7/20/06
Signature Date

Vice President
Position/Title

Assistant General Manager
Position/Title