



January 19, 2005

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JAN 20 2005

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Pam Bonrud, Executive Director  
SD Public Utilities Commission  
500 East Capitol Ave.  
Pierre, SD 57501-5070

Ref: Negotiated Interconnection Agreement between  
OrbitCom, Inc. and Verizon Wireless

Dear Ms. Bonrud:

Enclosed please find an original and 10 copies of an interconnection agreement between OrbitCom, Inc. and Verizon Wireless submitted for the Commissions' approval.

Contact information for OrbitCom, Inc. is Brad Van Leur, President, 1701 North Louise Avenue, Sioux Falls, SD 57107; telephone (605) 977-6900.

Contact information for Verizon Wireless is Mary Bacigalupi, 2785 Mitchell Drive, MS 7-1, Walnut Creek, CA 94598; telephone (925) 279-6006.

Please contact me at (605) 995-1531 if you require any further information, or if you have any questions regarding this filing.

Thank you in advance for your consideration of this request.

Sincerely,  
Martin Group

Dean Uher  
Consultant

Enclosures

Cc: Brad Van Leur, OrbitCom, Inc.  
Mary Bacigalupi, Verizon Wireless (w/o encl.)

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**Reciprocal Compensation Agreement  
for the State of South Dakota**

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

This Reciprocal Compensation Agreement ("Agreement") is entered into by and between the entities listed on the signature page of this Agreement, each having an office and principal place of business at 180 Washington Valley Road, Bedminster, New Jersey 07921, (collectively "Verizon Wireless") and OrbitCom, Inc. ("OrbitCom"), with offices at 1701 North Louise Avenue, Sioux Falls, SD 57107. Verizon Wireless and OrbitCom are each individually a "Party" and are together the "Parties" to this Agreement.

Verizon Wireless is licensed by the Federal Communications Commission ("FCC") as a Commercial Mobile Radio Service provider. OrbitCom is certificated by the Commission as a UNE-based Competitive Local Exchange Carrier. OrbitCom and Verizon Wireless agree to exchange wireline to wireless and wireless to wireline traffic for the benefit of the end users of the Parties. Services provided by OrbitCom to Verizon Wireless under this Agreement are provided pursuant to Verizon Wireless's status as a CMRS Provider.

WHEREAS, the Parties currently extend arrangements to one another allowing for the transport and termination of wireline to wireless and wireless to wireline traffic over each other's network facilities, between each other's subscribers; and

WHEREAS, the Parties wish to put in place an arrangement for the mutual exchange of and reciprocal compensation for local telecommunications traffic in accordance with the Telecommunications Act of 1996, and which is intended to supersede any previous arrangements between the Parties relating to such 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, Verizon Wireless and OrbitCom hereby agree as follows:

1. Scope. This Agreement addresses the Parties' reciprocal compensation obligations as described in §251(b)(5) of the Telecommunications Act of 1996 ("Act"). By this Agreement, neither Party waives any other rights it may have under the Act or rules of the FCC, under state statute, or pursuant to rules of the appropriate state regulatory commission ("Commission").
2. Interpretation and Construction. The terms and conditions of the Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by a federal, state or local government authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, regulation or guideline.

The Parties further agree and understand that the rates for local transport and termination agreed to, as set forth in Exhibit A hereto, have not been determined based on a specific costing methodology or company-specific cost studies and that they may have to be adjusted when an appropriate costing methodology

consistent with §252(d)(2) of the Telecommunications Act is established and actual cost information or an acceptable cost proxy which reasonably reflects the actual costs of providing the local transport and termination services becomes available.

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 local traffic or the types of arrangements prescribed by this Agreement.

### 3. Definitions

- 3.1. "Act" means the Communications Act of 1934 (47 U.S.C. 151 et. seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission within its state of jurisdiction.
  - 3.2. "CMRS" or "Commercial Mobile Radio Service" is as defined in 47 C.F.R. § 20.9.
  - 3.3. "Commission" means the appropriate state regulatory commission having jurisdiction over the agreement.
  - 3.4. "Local Calling Area" (LCA) for purposes of this Agreement is a geographic area defined by the Major Trading Area (MTA) within which Verizon Wireless provides CMRS service and where local transport and termination rates apply as set forth in 47 CFR 51.701(b)(2).
  - 3.5. "Local Traffic" for purposes of this Agreement means traffic that originates and terminates within the same CMRS LCA based on the location of the wireless subscriber or roamer on the Verizon Wireless network and landline end user.
  - 3.6. "Major Trading Area" (MTA) is a geographic area established in the Rand McNally 1992 Commercial Atlas and Marketing Guide, 123<sup>rd</sup> Edition, at pages 38-39.
  - 3.7. "Non-Local Traffic" is traffic that originates and terminates in different MTAs based on the location of the wireless subscriber or roamer on the Verizon Wireless network and the landline end user, and to which switched access charges apply.
  - 3.8. "Reciprocal Compensation Credit" for purposes of the Agreement and based on current traffic trends is a monetary credit for wireline to wireless traffic that is originated by a landline subscriber of OrbitCom and terminates to a subscriber of Verizon Wireless within the LCA.
4. Reciprocal Traffic Exchange. Each Party shall terminate Local Traffic originating on the other Party's network. Either Party's Local Traffic may be routed through an intermediary for interconnection with the other Party's system. The Parties

may mutually agree to direct interconnection. For Verizon Wireless, this Agreement covers transport and termination of two-way CMRS only. Other services shall be covered by a separate contract, tariff, or price list.

When available, the Parties agree to use the SS7 technical arrangements for the exchange of traffic. Neither Party shall assess a rate or charge on the other Party for the exchange of SS7 signaling data.

5. Local and Non-Local Traffic. This Agreement is intended to address the transport and termination of Local Traffic between the Parties. Local Traffic is subject to only the local transport and termination charge(s) set forth below and is not subject to switched access charges.

Ancillary traffic, including CMRS traffic that is destined for ancillary services including, but not limited to, directory assistance, 911/E911, operator call termination (busy line interrupt and verify), 800/888, LIDB, and information service requiring special billing will be exchanged and charged in accordance with the appropriate tariffs, local or switched access.

Verizon Wireless agrees that if it uses the services provided by OrbitCom for the transport and termination of Non-Local Traffic, Verizon Wireless shall compensate OrbitCom for interstate or intrastate switched access charges contained in the applicable tariffs. Because Verizon Wireless agrees to compensate OrbitCom for transport and termination of Non-Local Traffic through payment of interstate or intrastate switched access charges, no additional billing will be issued by either Party for Non-Local Traffic.

6. Local Transport and Termination Rate. Verizon Wireless and OrbitCom shall reciprocally and symmetrically compensate one another for Local Traffic terminated to their end users. The rate for the termination and transport of such traffic is set forth in Exhibit A attached hereto. OrbitCom will be responsible for measuring the total monthly minutes of use originating on its network that will terminate on Verizon Wireless's network. This measurement of originating traffic will be used to determine the volume of traffic that each Party is terminating from the other party. Measured usage begins when Verizon Wireless's mobile switching office is signaled by the terminating end office that the call has been answered. Measured usage ends upon recognition by the mobile switching office of disconnection by the earlier of the OrbitCom customer or the disconnection signal from the terminating end office. OrbitCom will only charge Verizon Wireless for actual minutes of use and/or fractions of completed calls. Minutes of use will be aggregated at the end of the billing cycle and rounded to the nearest whole minute.
7. Reciprocal Compensation Credit. The monthly minutes of use terminated into Verizon Wireless's network from OrbitCom's network for purposes of this Agreement, which will determine the reciprocal compensation credit due Verizon Wireless, will be calculated using the formula set forth in Exhibit A. The resulting number shall be multiplied by the Local Transport and Termination Rate to determine the monthly Reciprocal Compensation Credit. In the event the Traffic terminated on the Parties' respective networks is de minimis such that the total minutes for which either Party is entitled to compensation is less than 15,000

minutes of use for a three month period (or 5,000 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 Local Transport and Termination services provided by the Parties, and no billings will be issued.

8. Billing Payment and Collection.

8.1 Because of the difficulty involved in obtaining termination records for this traffic exchange, OrbitCom shall issue a monthly bill based on actual originating usage recording of calls that originate from OrbitCom and terminate to Verizon Wireless. OrbitCom shall use these originating usage records to calculate the volume of traffic it is terminating from Verizon Wireless, in accordance with the formula set forth in Exhibit A.

8.2 OrbitCom will include the Reciprocal Compensation Credit on its monthly bill to Verizon Wireless as a credit against amounts due and payable from Verizon Wireless to OrbitCom. An example of the Reciprocal Compensation Credit is set forth in Exhibit A.

8.3 Each Party is responsible for bearing their own billing and collection costs. No billing or collection fees will be assessed by one Party to the other, except as provided for in 8.5.

8.4 Payment is due within forty-five (45) days of receipt of invoice on all undisputed amounts.

8.5 If either Party disputes a billing statement received from the other Party, the invoiced Party shall notify the billing party in writing regarding the nature and the basis of the dispute within six (6) months of the statement date or the dispute shall be waived. In no event shall either Party bill the other Party for traffic terminated more than one hundred eighty (180) calendar days before the date of invoice. The Parties shall work diligently and in good faith toward resolution of all billing issues.

8.6 The billing Party may charge, and the billed Party shall pay, interest on any undisputed past due amounts at the lesser rate of one and one-half percent (1.5%) per month, or the highest rate allowed by law per month. Late payment charges will be included on monthly bills as assessed.

9. 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. No cause of action, regardless of form, arising out of the subject matter of this Agreement may be brought by either Party more than two (2) years after the cause of action has accrued. The Parties waive the right to invoke any different limitation on the bringing of actions provided under state or federal law unless such waiver is otherwise barred by law.

10. Term. Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date and shall continue in effect for consecutive six (6) month terms until either Party gives the other Party at least sixty (60) days written notice of termination, which termination shall be effective at the end of the notice period.
11. Termination Upon Default. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party, provided however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and that the defaulting Party does not cure the alleged default within thirty (30) calendar days of receipt of written notice thereof.
12. Liability Upon Termination. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect for any act or omission occurring prior to the termination relating to an obligation which is expressly stated in this Agreement. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination of this Agreement.
13. General Responsibilities of Parties. Each Party is responsible to provide facilities within its network, which are necessary for routing and terminating traffic from the other Party's network.
14. Assignments, Successors and Assignees. Notwithstanding anything to the contrary contained herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their successors and assignees. Nothing in this Agreement shall prohibit Verizon Wireless from enlarging its CMRS network through management contracts with third parties for the construction and operation of a CMRS system under the Verizon Wireless brand name and license. Traffic originating on such extended networks shall be treated as Verizon Wireless traffic subject to the terms, conditions, and rates of this Agreement. In accordance with Section 17 of this Agreement, Verizon Wireless shall provide OrbitCom with prompt notice of any such network enlargement, in order to ensure proper billing and exchange of traffic.
15. 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, 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, power blackouts, other major environmental disturbances or unusually severe weather conditions (collectively, a "Force Majeure Event").
16. No Third Party Beneficiaries. This Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.
17. Notices. Notices given by one Party to the other Party under this Agreement shall be in writing to the addresses of the Parties set forth below and shall be (i)

delivered personally; (ii) delivered by express; (iii) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested; or (iv) delivered by telecopy.

If to Orbitcom: Orbitcom, Inc.  
Brad Van Leur  
1701 North Louise Avenue  
Sioux Falls, SD 57107  
(fax) 605-373-9355

If to Verizon Wireless: Verizon Wireless  
Mary Bacigalupi  
2785 Mitchell Drive, MS 7-1  
Walnut Creek, CA 94598  
(fax) 925-279-6006

with a copy to: Verizon Wireless  
Attn: Regulatory Counsel - Interconnect  
1300 I St. NW, Suite 400W  
Washington DC 20005  
(fax) 202-589-3750

18. Governing Law. For all claims under this Agreement that are based upon issues within the jurisdiction of the FCC, the Parties agree that remedies for such claims shall be governed by the FCC and the Communications Act of 1934, as amended. For all claims under this Agreement that are based upon issues within the jurisdiction of the state regulatory commission, the Parties agree that the jurisdiction for all such claims shall be with such Commission, and the 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 applicable state without reference to conflict of law provisions. This Agreement shall be subject to any subsequent law adopted by any federal, state, or other authority, and the Parties agree to negotiate in good faith to modify the Agreement to conform with any such subsequent rule, statute, or guideline.
19. Confidential Information. Either Party may disclose to the other Party proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must either (1) be in the form of billing, traffic and systems information relating to one Party and acquired by the other Party in the course of performing under this Agreement; or (2) must be marked "Confidential" or "Proprietary," or bear a marking of similar import. The Parties agree not to disclose Confidential Information obtained pursuant to this Agreement except as required for performance pursuant to this Agreement.
20. Dispute Resolution. The Parties desire to resolve disputes arising under this Agreement without litigation. Accordingly, the Parties agree to follow the procedures provided in this Section with respect to any controversy or claim arising out of or relating to this Agreement or its breach. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith and authorized to resolve the relevant dispute.

The Parties intend that these negotiations will be conducted by business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for the purpose of settlement, exempt from discovery and production, which shall not be admissible in arbitration or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in the arbitration or lawsuit to remedies available at law against the other Party. Upon conclusion of these discussions, the Parties agree that they may seek resolution of the controversy or claim arising out of or relating to this Agreement in any lawful forum.

21. Indemnification. Each Party agrees to release, indemnify, defend, and hold harmless the other Party and its Affiliates, involved in the provision of services or facilities under this Agreement (collectively, the "Indemnified Parties") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other Party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of the form of the action.
22. Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, EACH PARTY MAKES NO REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES OR FACILITIES PROVIDED UNDER THIS AGREEMENT. EACH PARTY DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.
23. Limitation of Liability. Each Party's liability, whether in tort or otherwise, shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services or facilities for the time period during which the services or facilities provided pursuant to this Agreement are inoperative, not to exceed in total each Party's monthly charge to the other Party. Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or provision of services hereunder.
24. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.



25. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this 1st day of August, 2004.

AGREED AND ACCEPTED BY:

OrbitCom, Inc.

By:   
Brad Van Leur

President

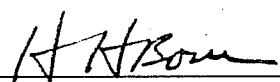
Date: 8/1/04

CommNet Cellular License Holding LLC  
d/b/a/ Verizon Wireless  
By Cellular, Inc. Financial Corporation,  
Its Sole Manager

Missouri Valley Cellular, Inc.  
d/b/a Verizon Wireless  
By CommNet Cellular, Inc.  
Its Managing Agent

Sanborn Cellular, Inc.  
d/b/a Verizon Wireless  
By CommNet Cellular, Inc.  
Its Managing Agent

Eastern South Dakota Cellular, Inc.  
d/b/a Verizon Wireless

By:   
Howard H. Bower

Area Vice President Network – Midwest Area

Date: 11/22/04

## EXHIBIT A

### Reciprocal Compensation Agreement Verizon Wireless – Orbitcom, Inc.

**LOCAL TRANSPORT AND TERMINATION RATE**

**\$0.0075 Per MOU**

#### **CALCULATION OF TRAFFIC VOLUME**

In accordance with Sections 6 through 8 of this Agreement, OrbitCom shall calculate the minutes of use originating on its network that terminated to the Verizon Wireless network. OrbitCom shall then employ a 70%-30% balance of wireless-to-wireline vs. wireline-to-wireless traffic to calculate the minutes of use that originate on the Verizon Wireless network and terminate to the OrbitCom network.

For example, if OrbitCom calculates that it has originated 10,000 minutes of use that terminated to the Verizon Wireless network, it shall assume that it terminated 23,333 minutes of use that originated on the Verizon Wireless network (33,333 total minutes exchanged, with a 70%-30% balance of traffic).

#### **RECIPROCAL COMPENSATION CREDIT - CALCULATION**

Before issuing an invoice to Verizon Wireless, OrbitCom shall deduct the amount that it owes Verizon Wireless for local transport and termination during the same billing period, which shall constitute the Reciprocal Compensation Credit. Once the amount of this credit is deducted, the resulting amount shall be billed by OrbitCom to Verizon Wireless. Using the above example, Verizon Wireless would owe OrbitCom \$233.33 (23,333 MOU x \$0.01). OrbitCom would owe Verizon Wireless \$100.00 (10,000 MOU x \$0.01) for the same period. The resulting difference billed to Verizon Wireless would be \$133.33.