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PUBLIC SERVICE COMMISSION

July 22, 2008

VIA U.S. MAIL

Ms. Illona Jeffcoat-Sacco, Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

Re: *Approval of the Wireless Interconnection and Reciprocal Compensation Agreement Negotiated by and between Nemont Telephone Cooperative, Inc. and Alltel Communications, LLC, Pursuant to Sections 251(a) and 251(b)(5) of the Telecommunications Act of 1996*

Dear Ms. Jeffcoat-Sacco:

Enclosed for filing is the original and one (1) copy of the Wireless Interconnection and Reciprocal Compensation Agreement negotiated by and between Nemont Telephone Cooperative, Inc. ("Nemont") and Alltel Communications, LLC ("Alltel"). John Staurulakis, Inc. is filing the enclosed agreement on behalf of Nemont and would appreciate that you file the same and return the extra copy stamped "filed" in the enclosed self-addressed, stamped envelope provided. In addition, an electronic version of the Agreement was sent *via* e-mail to ndpsc@nd.gov.

Thank you for your assistance in this matter.

Sincerely,

Mark A. Ozanick, Staff Consultant – Regulatory & Policy
John Staurulakis, Inc.

cc: Ron Williams, Alltel Communications, LLC
Stephen Rowell, Alltel Communications, LL 1

PU-08-595 Filed: 7/22/2008 Pages: 26
Wireless Interconnection and Reciprocal
Compensation

Nemont Telephone Cooperative, Inc.

John Staurulakis, Inc. by Mark Ozanick

HEADQUARTERS:

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Eagandale Corporate Center, Suite 310
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phone: 651-452-2660, fax: 651-452-1909

547 South Oakview Lane
Bountiful, UT 84010
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WIRELESS INTERCONNECTION

AND

RECIPROCAL COMPENSATION AGREEMENT

BY AND BETWEEN

NEMONT TELEPHONE COOPERATIVE, INC.

AND

ALLTEL COMMUNICATIONS, LLC

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I. Article I

1. INTRODUCTION

This Interconnection and Reciprocal Compensation Agreement (“Agreement”) is effective as of the 10th day of May 2007 (the “Effective Date”), by and between Nemont Telephone Cooperative, Inc. (“Nemont”) with offices at Highway 13 South, P.O. Box 600, Scobey, MT 59263 and Alltel Communications, LLC (“Alltel”) with offices at One Allied Drive, Little Rock, AR 72202.

2. RECITALS

WHEREAS, Nemont is an incumbent Local Exchange Carrier in the States of Montana and North Dakota; and

WHEREAS, Alltel is authorized by the Federal Communications Commission (“FCC”) to provide Commercial Mobile Radio Services (“CMRS”) and provides such service to its end user customers within the States of Montana and North Dakota; and

WHEREAS, the Parties wish to put in place an arrangement for the mutual exchange and reciprocal compensation of telecommunications traffic in accordance with § 251(b)(5) of the Telecommunications Act of 1996; and

WHEREAS, Nemont’s entry into this Agreement does not waive its right to maintain that it is a rural company exempt from § 251(c) pursuant to § 251(f) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the “Act”).

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, Nemont and Alltel 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.

Interconnection and Reciprocal Compensation Agreement between Nemont and Alltel

- 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. Local tandems switch calls from one end office to another within the same geographic area, and access tandems switch traffic from an end office to and from an Interexchange Carrier. 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” means Commercial Mobile Radio Services as defined in 47 C.F.R. Part 20.
- 1.5 “Commission” means the Montana Public Service Commission or the North Dakota Public Service Commission, as appropriate.
- 1.6 “Direct Interconnection” means either a one-way or two-way connection between the Nemont network and the Alltel network.
- 1.7 “Extended Area Service” or “EAS” is as defined and specified in Nemont’s then current General Subscriber Service Tariff.
- 1.8 “Effective Date” means the date first above written.

Interconnection and Reciprocal Compensation Agreement between Nemont and Alltel

- 1.9 “FCC” means the Federal Communications Commission.
- 1.10 “Interconnection” is as defined in 47 C.F.R. § 51.5.
- 1.11 “Interexchange Carrier” or “IXC” means a carrier that provides or carries, directly or indirectly, Toll Traffic.
- 1.12 “Local Service Area” means, for Alltel, Major Trading Area Number 42 (Spokane-Billings) or Major Trading Area Number 12 (Minneapolis-St. Paul), as appropriate, and for Nemont, its local calling area contained in Nemont’s then current General Subscriber Service Tariff.
- 1.13 “Local Telecommunications Traffic” is defined for all purposes under this Agreement as Local Service Area traffic that, at the beginning of the call is originated by a customer of one Party on that Party’s network and terminates to a customer of the other Party on the other Party’s network within the same Major Trading Area (MTA). Local Telecommunications Traffic may be handled pursuant to an approved interconnection agreement between the originating Party and a carrier, which performs only a contractual transiting function for the originating Party in lieu of a direct connection between the Parties. For purposes of determining originating and terminating points, the originating or terminating point for Nemont shall be the end office serving the calling or called party, and for Alltel shall be the originating or terminating cell site location which services the calling or called party at the beginning of the call.
- 1.14 “Local Exchange Carrier” or “LEC” is as defined in the Act.
- 1.15 “Major Trading Area” or “MTA” means Major Trading Area as defined by the FCC in 47 C.F.R. § 24.202(a) or other applicable law.
- 1.16 “Mobile Switching Center” or “MSC” is a switch facility that performs the switching for the routing of calls among its mobile subscribers and subscribers in other mobile or landline networks. The MSC is used to connect and switch trunk circuits within the wireless network and between the wireless network and the public switched network for wireless traffic by a CMRS provider.
- 1.17 “Inter-MTA Traffic” is all traffic that originates in one MTA and terminates in a different MTA.
- 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.

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- 1.20 “Party” means either Nemont or Alltel, and “Parties” means Nemont and Alltel.
- 1.21 “Point of Interconnection” (“POI”) means that technically feasible point of demarcation where the exchange of Local Telecommunications Traffic between two carriers 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 to an incumbent LEC for its provision of exchange 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 Local Telecommunications Traffic, as defined in § 1.15 above, that originates on the network facilities of the other carrier.
- 1.24 “Telecommunications” means the transmission, between or among points specified by the user, of information of the 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 (as defined in the Act), except that such term does not include aggregators of telecommunications services (as defined in 47 U.S.C. § 226(a)(2)).
- 1.26 “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.
- 1.27 “Transiting Traffic” is traffic that originates from one provider’s network, “transits” one or more other provider’s network substantially unchanged, and terminates to yet another provider’s network.
- 1.28 “Transport” means the transmission and any necessary tandem switching of Local Telecommunications Traffic subject to § 251(b)(5) of the Act 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 specific direct and indirect 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 Alltel and the LEC networks of Nemont for purposes of exchanging Local Service Area traffic, provided that the service provided by Alltel to its customer is a two-way mobile service as defined in 47 U.S.C. §153(27). This Agreement does not cover Alltel one-way paging service traffic as defined in 47 C.F.R. § 22.99.

3.3 Alltel represents that it is a CMRS provider of telecommunications services to subscribers in MTA No. Number 42 (Spokane-Billings) or MTA No. 12 (Minneapolis-St. Paul). Alltel's NPA-NXXs are listed in Telcordia's Local Exchange Routing Guide ("LERG") for Operating Company Numbers ("OCN") 5032 in the State of Montana and 5033 in the State of North Dakota.

3.4 This Agreement is limited to Nemont end user customers' traffic for which Nemont has tariff authority to carry. Nemont's NPA-NXX(s) are listed in the LERG under OCN 4452 in Montana and OCN 4453 in North Dakota.

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 arrangements between the networks of Nemont and Alltel. Additional arrangements that may be agreed to in the future will be delineated in Attachment A to this Agreement. Routing of traffic shall be as described in this section. An NPA-NXX assigned to Alltel shall be treated as Local Service Area traffic and included in any EAS calling scope, or similar program, to the same extent as any other incumbent LEC's NPA-NXX in the same rate center and Alltel has internal network facilities (*i.e.* towers) to serve such customers. This compromise is for the purpose of this Agreement and in no

way prejudices any position any of the Parties may take on this matter with respect to future agreements or regulatory or legislative proceedings.

4.1 Direct Interconnection at Scobey Rural: A two-way direct interconnection facility will be provisioned between Nemont's Scobey Rural Tandem Office Switch (WSCBMTXC01T) and Alltel's network, with the POI designated at Nemont's Glasgow End Office Switch.

4.1.1 Landline-to-Wireless: Local Service Area calls from Nemont's customers served by a Central Office Switch subtending WSCBMTXC01T to Alltel customers shall be routed from Nemont's Scobey Rural Tandem Office Switch to Alltel *via* the two-way direct interconnection facility.

4.1.2 Wireless-to-Landline: Local Service Area calls originated by Alltel's customers within MTA No. 42 (Spokane-Billings) or MTA No. 12 (Minneapolis-St. Paul) or customers of another CMRS provider while roaming on Alltel's network in MTA No. 42 or MTA No. 12, to Nemont's customers served by a Central Office Switch subtending WSCBMTXC01T shall be routed from Alltel's network *via* the two-way direct interconnection facility to Nemont's Scobey Rural Tandem Office Switch for termination by Nemont to their customers, as appropriate.

4.2 Indirect Traffic: To the extent that either Party and a third party provider have entered into or may enter into contractual arrangements for the delivery of one Party's originated traffic for termination to the other Party's customers (*i.e.*, traffic that is not covered elsewhere in this Agreement), both Parties will accept this traffic subject to the compensation arrangement as outlined in § 5 below.

4.3 Transit Traffic: The Parties acknowledge and agree that this Agreement is intended to govern the exchange of traffic to and from the Parties' respective networks only. Traffic that is originated on a network of a non-party Telecommunications Carrier ("Non-Party Carrier") and routed to a Party may be delivered to the other Party's network. In addition, traffic that is originated by a customer or roamer of a Party on that Party's network that is routed to the other Party may be delivered to a Non-Party Carrier. If a Non-Party Carrier objects to the delivery of such traffic, then either Party to this Agreement may request direction from the Commission, FCC, Montana or North Dakota state courts, as appropriate, or federal courts. The transiting Party will continue to perform transiting functions for the other Party pending ruling from the Commission, FCC, Montana or North Dakota state courts, as appropriate, or federal courts. The Party performing such transiting function will bill, as specified in § 5.3 below, the originating carrier (other Party or a Non-Party Carrier) the transiting charge. In order for the other Party or a Non-Party Carrier to bill the originating carrier (a Non-Party or other Party) for charges it is obligated to pay, the Party performing the transiting function will provide, subject to availability, total minutes of transiting traffic terminating to the terminating carrier (Non-Party Carrier or the other Party). Alltel shall not perform a transiting

function on behalf of a Non-Party Carrier for traffic originated by a Non-Party Carrier that is delivered to Nemont.

5.0 COMPENSATION

5.1 Traffic Subject to Reciprocal Compensation.

Reciprocal Compensation is applicable for Transport and Termination of Local Telecommunications Traffic as defined in § 1.15 and is related to the exchange of traffic described in § 4 and Attachment A, as appropriate. For the purposes of billing compensation for Local Telecommunications Traffic, billed minutes will be based upon actual 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 Non-Local Telecommunications Traffic.

The rate for Reciprocal Compensation is \$0.012 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 either party’s 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.

5.2 Traffic Subject to InterMTA Compensation.

InterMTA Compensation is applicable to all Non-Local Telecommunications Traffic exchanged between Nemont and Alltel, to the extent that such traffic is not handed off to an IXC. The Party originating Non-Local Telecommunications Traffic shall compensate the Party terminating such traffic at Nemont’s interstate Switched Access rates, as appropriate, for all such Non-Local Telecommunications Traffic.

5.3 Traffic Subject to Transit Compensation.

As described in § 4.3, Transit Compensation is applicable to Transit Traffic that originates on one Party's network, traverses the other Party's network, and is terminated on a Non-affiliated Third Party's network.

The rate for Transit Compensation shall be \$0.005 per minute.

5.4 Calculation of Payments and Billing.

5.4.1 Nemont shall compensate Alltel for Local Telecommunications Traffic that is delivered by Nemont to Alltel, as prescribed in § 4 and Attachment A, as applicable, and at the rate provided in § 5.1. Alltel will compensate Nemont for Local Telecommunications Traffic delivered to Nemont for termination to their customers, as prescribed in § 4 and at the rate provided in § 5.1 and for Non-Local Telecommunications Traffic exchanged between Alltel and Nemont, as prescribed in § 5.2.

Alltel will also compensate Nemont for transit traffic as prescribed and at the rate provided in § 5.3.

5.4.2 Nemont shall prepare a monthly billing statement to Alltel which will separately reflect the calculation of Reciprocal Compensation, InterMTA Compensation, Transit Compensation, facility charges and total compensation due Nemont. Alltel shall prepare a monthly billing statement to Nemont which will reflect the calculation of Reciprocal Compensation. Billing shall be based on actual measured usage except for the period between the Effective Date and the beginning of the billing month following installation of Direct Interconnection specified in Sections 4.1 and 4.2. For billing during the interim period, Nemont shall bill for reciprocal compensation based on a reciprocal factor method. The reciprocal factor method will be applied by dividing the total number of monthly measured minutes of use originated by Alltel and terminated on Nemont networks by seventy percent (70%) which will then be multiplied by thirty percent (30%) to arrive at the total minutes of Nemont traffic estimated to be 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 due Nemont for the billing period. For example, Nemont 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 Nemont to Alltel for termination ($10,000 / .70$ multiplied by $.30$).

5.4.3 Recognizing that neither Party has a way of measuring the Inter-MTA Traffic the Parties agree to a default factor of 0% as an estimate of Inter-MTA Traffic. The actual recorded usage shall be the basis for billing, when available and verifiable.

5.4.4 Each Party shall be responsible for providing the Direct Interconnection facilities on its side of the POI designated in Section 4.1 and neither Party shall assess charges to the other Party for such Direct Interconnection facilities. If Alltel chooses to use Nemont direct trunked transport facilities to reach a Direct Interconnection POI and such facilities are used for two-way traffic exchange between the Parties, the charges for such facilities are specified in Nemont's Interstate Access Service Tariff as direct trunked transport. The charges for such facilities shall be reduced by an agreed upon percentage representing the estimated or actual percentage of Telecommunications Traffic exchanged between the Parties over such facilities that is originated on Nemont's network by Nemont's customers. This percentage is referred to as the Facility Factor. The Parties agree to review these percentages no more than twice annually and, if warranted by the actual usage, revise the percentages appropriately. Supporting documentation for the percentage change will be provided by the requesting Party. If the Parties do not reach agreement on the proposed revised Facility Factor within sixty (60) days of receipt of the percentage change by the other Party, then either Party may seek resolution through § 17.0, Dispute Resolution.

- a) Nemont Facility Factor 30%
- b) Alltel Facility Factor 70%

If Alltel provides its own facilities or purchases facilities from a non-party, neither Party will assess charges to the other Party for Direct Interconnection facilities.

5.4.5 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.

5.4.6 All charges under this agreement shall be billed within one year from the time the charge was incurred; previously unbilled charges more than one year old shall not be billed by either party, and shall not be payable by either party.

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.

The Party receiving such change notice may object in writing within ten (10) business days of receipt if the proposed network change will significantly impair the

receiving Party from offering a service currently offered or substantially increase the receiving Party's cost of offering such service. Such objection shall be handled pursuant to § 17 of this Agreement. Neither Party shall discontinue any Interconnection arrangement or telecommunications service provided or required under this Agreement as of the date of the network change notice prior to conclusion of the procedures set forth in § 17.

7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

7.1 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.

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 obtaining Local Exchange Routing Guide ("LERG") listings of the Common Language Location Identifier ("CLLI") assigned to its switches.

7.4 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 Alltel to the Nemont SS7 systems is permitted. Such connections will meet generally accepted industry technical standards. Each Party shall utilize SS7 at its own cost (including but not limited to links, point codes, and messaging) for all exchanged traffic.

7.5 Each Party shall be responsible for its own independent connections to the 911/E911 network.

7.6 The carrier responsible for originating the traffic shall identify all traffic originated by such carrier. Such information shall be rendered as part of the SS7 call record in generally accepted industry format and shall include, but not necessarily limited to Calling Party Number (CPN), Charge Number (CN), Jurisdictional Identification Parameter (JIP) where technically feasible and any other available information to help facilitate a timely and accurate billing process.

7.7 Each Party is responsible for adhering to dialing parity obligations including 'N-1' carrier database query and routing.

7.8 Each Party will ensure that Local Number Portability database queries are performed on all calls routed *via* a Direct Interconnection between the Parties.

8.0 TERM AND TERMINATION

8.1 Subject to the provisions of § 14, the initial term of this Agreement shall be for two years (“Term”), which shall commence on the Effective Date. This Agreement shall automatically renew for successive six-month periods, unless, not less than one hundred twenty (120) days prior to the end of the Term or any renewal term, either Party notifies the other Party of its intent to renegotiate a new agreement. In the event of such renegotiation, this Agreement shall remain in effect until such time that a new agreement becomes effective or for a period of two hundred seventy (270) days from the date of notification of intent to renegotiate, whichever event shall occur first.

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

8.2.1 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 forty five (45) 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 Montana’s or North Dakota’s applicable law, as appropriate. 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.

8.2.2 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 Montana’s or North Dakota’s applicable law, as appropriate.

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

8.2.4 Invoices shall be sent to:

Alltel	Nemont
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Interconnection and Reciprocal Compensation Agreement between Nemont and Alltel

Alltel Communications, LLC c/o Control Point Solutions 3655 North Point Pkwy, Suite 200 Alpharetta, GA 30005 Attn: Erika Owens	Highway 13 South P.O. Box 600 Scobey, MT 59263 Attn: Accounts Payable
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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 above;
- (b) Each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement;
- (c) Each Party's indemnification obligations shall survive termination or expiration of this Agreement.

8.4 The non-defaulting 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 provides the defaulting Party and the appropriate federal and/or state regulatory bodies with at least ninety (90) days written notice of the default prior to terminating service.

9.0 CANCELLATION CHARGES

Except as provided herein, no cancellation charges shall apply.

10.0 NON-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.

10.2 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.

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 the following:

- (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;
- (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.

Provided, however, that under no circumstances shall the Indemnifying Party be liable for loss, cost, claim liability, damage or expense of any kind caused by the negligence of the Indemnified 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 § 12.3), except in the event of a breach of the confidentiality provisions of this Agreement.

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 Except as otherwise provided in § 11.0 or in the case of breach of the confidentiality provisions of this Agreement, no Party shall 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. Under no circumstances shall either Party be liable for punitive 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, and pursuant to the Change in Law provisions in § 15.0.

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 initiate informal dispute resolution under § 17.1 of this Agreement, by providing written notice to the other party, in order to renegotiate in good faith the affected provisions of this Agreement and amend this Agreement accordingly to reflect the pricing, terms and conditions of each such Amended Rules relating to any of the provisions in this Agreement. If the Parties fail to reach agreement regarding such new terms and conditions within ninety (90) days of receipt of written notice, either Party may request arbitration by any regulatory authority with jurisdiction.

16.0 MISCELLANEOUS

16.1 Authorization

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

16.1.2 Alltel Communications, LLC is a corporation 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.

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

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

16.4 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, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, equipment failure not caused by a Party's fault or negligence, 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.

16.5 Confidentiality.

16.5.1 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 including call detail records and other CPNI that is exchanged between the Parties ("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 § 16.5.2 of this Agreement.

16.5.2 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 at least thirty (30) days written notice of such requirement, where practicable but in any event with reasonable time prior to such disclosure so as to permit the Disclosing Party time to intervene to protect the confidentiality of the information requested to be disclosed. 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.

16.5.3 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.

Each Party agrees that the breach of this Confidentiality Agreement may entitle the injured Party to seek equitable relief, including injunctive relief and specific performance. Such remedies shall not be exclusive, but shall be in addition to all other remedies permitted under this Agreement.

16.6 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 States of Montana or North Dakota, as appropriate, 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 consistent with the Change in Law provisions in § 15.0 of this Agreement.

Interconnection and Reciprocal Compensation Agreement between Nemont and Alltel

16.7 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 will result in no exemption being available to the purchasing Party.

16.8 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 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 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.

16.9 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.

16.10 Notices.

16.10.1 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; (iii) mailed, certified mail, return receipt requested to the following addresses of the Parties:

To: Alltel	To: Nemont
Alltel Communications, LLC One Allied Drive B1F03-C Little Rock, AR 72202 Tel: 501-905-8000 Attn: Manager - Interconnect	Highway 13 South P.O. Box 600 Scobey, MT 59263 Tel: 406-783-2200 Attn: Shawn Hanson, General Manager

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

16.10.2 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:

For Nemont:

NOC/Repair Contact Number: 406-783-2200

For Alltel:

NOC/Repair Contact Number: 866-900-9662

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.

16.11 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.

16.12 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.

16.13 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.

16.14 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.

16.15 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.

16.16 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 a writing signed by an officer or duly authorized employee of each Party.

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 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

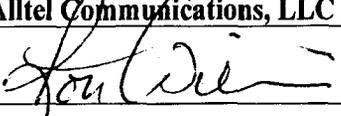
representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in 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.

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.

Interconnection and Reciprocal Compensation Agreement between Nemont and Alltel

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

Alltel Communications, LLC	Nemont Telephone Cooperative, Inc.
By: <u></u>	By: <u></u>
Name: <u>Ron Williams</u>	Name: <u>Shawn Hanson</u>
Title: <u>Vice President – Interconnect</u>	Title: <u>General Manager</u>
Date: <u>16 July 2008</u>	Date: _____

Attachment A

Reserved For Future Use