

**WIRELESS INTERCONNECTION AGREEMENT  
BETWEEN  
HILL COUNTRY TELEPHONE COOPERATIVE, INC.  
AND  
SAN ANTONIO MTA LP dba VERIZON WIRELESS**

This Interconnection / Compensation Agreement for Termination of Traffic ("Agreement") between Hill Country Telephone Cooperative, Inc. ("Hill Country") and San Antonio MTA LP dba Verizon Wireless ("Verizon Wireless"), a Delaware Limited Partnership, being referred to collectively as the "Parties" and individually as a "Party" is effective January 5, 2002.

Verizon Wireless is authorized by the Federal Communications Commission ("FCC") to provide commercial mobile radio service ("CMRS") and provides such service to its end user customers and roamers in the State of Texas; and

Hill Country is a certified provider of local exchange service in the State of Texas.

Hill Country and Verizon Wireless are entering into this Agreement pursuant to Section 251(b)(5) of the Communications Act of 1934, as amended by, inter alia, the Telecommunications Act of 1996.

This Agreement establishes the methodology for the exchange of and compensation for Local Telecommunications Traffic originated on the network of Verizon Wireless, transited via Southwestern Bell Telephone Company's San Antonio, Texas access tandem or Kerrville Telephone Company's Kerrville, Texas access tandem ("Tandem") and terminated on the network of Hill Country or originated on the network of Hill Country, transited via the Tandem and terminated on the network of Verizon Wireless.

**1.0 DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified below in this Section:

- 1.1 "Act" – The Communications Act of 1934 (47 U.S.C. § 151 et.seq.), as amended, and as from time to time interpreted in the duly authorized rules and regulations of the Federal Communications Commission ("FCC") or Public Utility Commission of Texas ("Commission").
- 1.2 "CMRS" – Commercial Mobile Radio Service as defined in the Act 47 C.F.R. § 20.3.
- 1.3 "ISP" – means Internet Service Provider.
- 1.4 "MTA" – Major Trading Area as defined in 47 C.F.R. § 24.202(a).
- 1.5 "Local Service Area" means, for Verizon Wireless, Major Trading Area Number 33 (San Antonio) and for Hill Country, its local calling area contained in Hill Country's then current General Exchange Tariff. An NPA-NXX assigned to

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Verizon Wireless shall be included in any EAS calling scope, or similar program to the same extent as any other ILEC's NPA-NXX in the same rate center.

- 1.6 "Local Telecommunications Traffic" – is defined for purposes of determining compensation under this Agreement as Local Service Area traffic that (a) originates on the network of one Party, (b) transits a third-party LEC's network pursuant to the direction and responsibility of the originating Party, and (c) terminates to a customer or roamer of the other Party on the other Party's network within the same MTA; provided that the customer of Verizon Wireless is a two-way CMRS customer and receives mobile service on a wireless, mobile basis as described in 47 U.S.C. §153(27).

The origination point and the termination point on Hill Country's network shall be the end office serving the calling or called party. The origination point and the termination point on Verizon Wireless's network shall be the originating or terminating cell site which services the calling or called party, at the beginning of the call.

- 1.7 "LEC" – For purposes of this Agreement, LEC or Local Exchange Carrier means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c), except to the extent that the Commission finds that such service should be included in the definition of such term. (47 U.S.C. § 153 (26)).
- 1.8 "LERG" – Local Exchange Routing Guide or "LERG" is the Telcordia Technologies reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designation.

## 2.0 COMPENSATION ARRANGEMENT

- 2.1 For all Local Telecommunications Traffic transited over the Tandem and terminated on the network of either Hill Country or Verizon Wireless, the Party originating the Traffic shall pay the Party terminating the traffic a reciprocal and symmetrical rate ("Reciprocal Compensation") of \$ 0.025 per minute.
- 2.2 The traffic exchanged through an interexchange carrier ("IXC") is not covered under this Agreement.
- 2.3 ISP traffic may be exchanged between the Parties but is not subject to Reciprocal Compensation under this Agreement. Such traffic between the Parties, if any, is presently de minimis. At such time as either Party can economically track and measure such traffic, such Party may remove such traffic from the calculation of compensation between the Parties by providing the other Party appropriate evidence of the existence of such traffic.

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- 2.4 The Parties agree to provide the information described in Attachment I to this Agreement, in the format and in accordance with the intervals also described in Attachment I. While some of the information also may be obtained from the transiting carrier, neither Party has an obligation to obtain the information from the transiting carrier.
- 2.5 It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the LERG guidelines to recognize and route traffic to the other Party's assigned NPA-NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- 3.0 The Parties to this Agreement recognize that they or their authorized representatives may come into possession of confidential and/or proprietary data about each other's business as a result of this Agreement. Each Party agrees to treat all such data as strictly confidential and to use such data only for the purpose of performance under this Agreement. Each Party agrees not to disclose data about the other Party's business to any person without first securing the written consent of the other Party, unless such disclosure is required by lawful subpoena or order, and then, only after notice to the Party whose proprietary or confidential information will be disclosed, and an opportunity for such Party to object to the disclosure.

**4.0 AUDIT AND REVIEW**

- 4.1 Each Party is responsible for the accuracy of its data as submitted to the other Party. Upon reasonable written notice, each Party or its authorized representative shall have the right to conduct annual reviews of the relevant data possessed by the other Party to give assurance of compliance with the provisions of this Agreement. These reviews will consist of any examinations and verification of data involving records, systems, procedures and other information related to the services performed by either Party as related to charges or payments made in connection with this Agreement. Each Party's right to access information for verification review purposes is limited to data not in excess of twelve (12) months in age. The Party requesting a verification review shall fully bear its own costs associated with conducting a review. The Party being reviewed will provide access to necessary and applicable information at no charge to the reviewing Party during normal business hours.
- 4.2 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.
- 5.0 The Parties shall comply with any applicable orders, rules or regulations of the FCC, Commission and Federal and State law during the term of this Agreement. Notwithstanding anything to the contrary contained herein, a Party shall not be liable nor

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deemed to be in default for any delay or failure of performance under this Agreement resulting directly from acts of God, civil or military authority, acts of the public enemy, war, hurricanes, tornadoes, storms, fires, explosions, earthquakes, floods, government regulation, strikes, lockouts or other work interruptions by employees or agents not within the control of the non-performing Party.

**6.0** The Parties agree that the Party collecting revenues shall be responsible for collecting, reporting and remitting all taxes associated therewith, provided that the tax liability shall remain with the Party upon whom it is originally imposed.

**7.0 TERMINATION**

**7.1** The terms of this Agreement are in effect for a period of one (1) year beginning January 5, 2002. This Agreement shall automatically renew for periods of six (6) months unless terminated with sixty (60) days written notice by either Party of such termination or intent to renegotiate this Agreement. If the Parties choose to interconnect directly with one another, the Parties reserve the right to negotiate a new interconnection agreement and renegotiate or terminate this Agreement. This Agreement shall remain in effect pending any negotiation of a new agreement.

**7.2** (a) If either Party commits a material breach of this Agreement, the other Party may terminate the Agreement if the breach remains uncured thirty days after receipt of written notice thereof; (b) in the case of a termination for breach, each Party shall promptly pay all undisputed amounts (including any late payment charges) owed under this Agreement; and (c) each Party's indemnification obligations shall survive termination or expiration of this Agreement.

**8.0** 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.

**9.0** The Parties shall work cooperatively to ensure there are no outstanding balances for the period prior to January 5, 2002.

**10.0** 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 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).

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- 11.0** A Party may not assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, provided, however, a Party may assign this Agreement, or any portion thereof, without consent to any entity which controls, is controlled by or is under common control with the assigning Party or where all or substantially all of the assets of the Party are being acquired by a third party. Any such assignment shall not, in any way, affect or limit the rights and obligations of the Parties, under the terms of this Agreement.
- 12.0** Neither Party assumes any liability for any act or omission of the other in the furnishing of its services to its subscribers solely by virtue of entering into this Agreement. To the extent not prohibited by law or inconsistent with the other terms of this Agreement, each Party shall indemnify the other Party and hold it harmless against any loss, costs, claims, injury or liability relating to any third-party claim arising out of any act or omission of the indemnifying Party in connection with the indemnifying Party's performance under this Agreement. Furthermore, the Parties agree to arrange their own interconnection arrangements with other telecommunications carriers, and each Party shall be responsible for any and all of its own payments thereunder. Neither Party shall be financially or otherwise responsible for the rates, terms, conditions, or charges between the other Party and another telecommunications carrier.
- 13.0** The Parties understand and agree that this Agreement will be filed with the Commission. Each Party covenants and agrees to fully support approval of this Agreement by the Commission under Section 252(e) of the Act without modification. The Parties, however, reserve the right to seek regulatory relief or adjudicative 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). Further, this Agreement may be subject to change, modification, or cancellation if required by a final non-appealable order of a regulatory authority or court in the exercise of its lawful jurisdiction.

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

- 14.0** To the extent provided in Section 252(i) of the Act and related provisions of the FCC's rules and regulations, Hill Country shall make available to Verizon Wireless for a reasonable period of time any interconnection, service, or network element provided under an agreement approved under Section 252 of the Act to which Hill Country is a Party to, upon Verizon Wireless's agreement to the same terms and conditions as those provided in that agreement.
- 14.1** The Parties recognize and agree that Hill Country may, at any time during the term of this Agreement, avail itself of the intercarrier compensation mechanism established by the FCC in re Implementation of the Local Competition Provisions

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in the Telecommunications Act of 1996, CC Docket No. 96-98 and CC Docket No. 99-68, FCC 01-131, Adopted: April 18, 2001, Released: April 27, 2001 (“ISP Order”). If Hill Country avails itself to an intercarrier compensation mechanism for the exchange of Section 251(b) telecommunications traffic that excludes Reciprocal Compensation for Section 251(g) telecommunications traffic by implementing the FCC’s 3:1 rebuttable presumption ratios to ensure the exclusion of Reciprocal Compensation for Section 251(g) telecommunications traffic with another carrier, then Hill Country must give notice to Verizon Wireless and offer such compensation mechanism to Verizon Wireless for the exchange of Local Telecommunications Traffic, in accordance with the “mirroring rule” set forth in paragraph 89 of the ISP Order unless such order is stayed or overturned by an agency or court of competent jurisdiction. However, Hill Country specifically reserves its right to rebut the presumption established by the FCC that telecommunications traffic that exceeds the 3:1 ratio is in fact, Local Telecommunications Traffic delivered to non-ISP customers of Hill Country’s as set for in paragraph 79 of the ISP Order.

**15.0 Notices.**

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

To:  
Verizon Wireless  
Director – Wireline Interconnection  
One Verizon Place  
Alpharetta, GA 30004

To:  
Hill Country Telephone Cooperative, Inc.  
Commercial Manager  
220 Carolyn  
P.O. Drawer D  
Ingram, TX 78025-0768

With a copy to:  
Verizon Wireless  
1300 I Street, NW-Suite 400  
Washington, DC 20005  
Attn: Dir. of Regulatory, Interconnection

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; or (iv) on the date set forth on the confirmation in the case of delivery by telecopy.

**16.0 Authorization**

**16.1** Hill Country is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has full power and authority to execute

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and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

- 16.2** Verizon Wireless is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.
- 17.0** Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.
- 18.0** Neither this Agreement, nor any actions taken by Verizon Wireless or Hill Country in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between Verizon Wireless and Hill Country, or any relationship other than that of co-carriers. Neither this Agreement, nor any actions taken by Verizon Wireless or Hill Country in compliance with this Agreement, shall create a contractual, agency, or any other type of relationship or third party liability between Verizon Wireless and Hill Country end users or others.
- 19.0** This Agreement shall be governed by the domestic laws of the State of Texas without reference to conflict of law provisions. Notwithstanding the foregoing, the Parties may seek resolution of disputes under this Agreement by the FCC, the Commission, or Texas state court or federal court, as appropriate.
- 20.0** The terms contained in this Agreement and any Attachments 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 of each Party.
- 21.0** The undersigned signatories represent that they have the authority to execute this Agreement on behalf of their respective companies.
- 22.0** To obtain the mutual benefits set forth herein, both Parties worked diligently and made significant compromises. However, by entering into this Agreement, neither Party waives its right or ability to participate in any regulatory, judicial, or legislative proceedings regarding the proper interpretation and /or application of the Act, including interpretation and /or application that may differ from the terms contained within this Agreement.

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This Agreement is executed as dated below.

Hill Country Telephone Cooperative, Inc.

by: Van Cook

Van Cook  
(print name)

General Manager  
(title)

Date: April 4, 2002

San Antonio MTA LP dba Verizon  
Wireless

by: Verizon Wireless Texas, LLC, its  
general partner

by: Howard H. Bower

Howard H. Bower  
(print name)

AREA VP NETWORK  
(title)

Date: 1/30/02

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**HILL COUNTRY TELEPHONE COOPERATIVE, INC.  
AND  
SAN ANTONIO MTA LP dba VERIZON WIRELESS**

**ATTACHMENT I – BILLING AND EXCHANGE OF INFORMATION**

- I. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide (LERG) guidelines to recognize and route traffic to the other Party's assigned NPA-NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- II. Usage:
- A. For the purposes of billing compensation for Local Telecommunications Traffic, billed minutes will be based upon actual usage recorded by the terminating Party. If the actual usage cannot be recorded or determined by the terminating Party, then records/reports provided by the transiting LEC shall be the basis for billing. If for a particular billing cycle, either Party can not record actual measured usage and/or records/reports are not available from the transiting LEC, then the Parties agree to use traffic factors based on recent measured usage to estimate terminating minutes of use.
  - B. 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.
  - C. The monthly usage information and monthly billing statement will be mailed via the United States mail to the address provided by the receiving Party or in any other format agreed to by the Parties.
- III. Calculation of Payments and Billing:
- A. Verizon Wireless shall compensate Hill Country for Local Telecommunications Traffic originating on Verizon Wireless' network and delivered to Hill Country pursuant to this Agreement for termination to its customers, as prescribed and at the rates provided in 2.1. Hill Country shall compensate Verizon Wireless for Local Telecommunications Traffic delivered to Verizon Wireless pursuant to this

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Agreement for termination on its network, as prescribed and at the rate provided in 2.1.

- B. Each Party will issue a monthly billing statement to the other Party showing, at a minimum, total minutes billed and the rates used to calculate the charges, and the total amount due.
- C. In the event that there is insufficient representative and verifiable data on the actual non-Local Telecommunications Traffic exchanged between the Parties to use in preparation of the monthly billing statement, the Parties agree to apply a 0% non-Local Telecommunications Traffic factor to the originated minutes of use as an estimate of the non-Local Telecommunications Traffic being exchanged. To the extent the Parties can measure or identify usage by originating or terminating Hill Country exchange, the Parties agree to the following:
  - (1) Verizon Wireless originated telecommunications traffic terminating to Hill Country exchanges located outside the San Antonio MTA shall be treated as non-Local Telecommunications Traffic and shall be subject to terminating intrastate access charges.
  - (2) Hill Country originated telecommunications traffic originating in Hill Country exchanges outside the San Antonio MTA or in Hill Country exchanges that do not have EAS to rate centers associated with Verizon Wireless's NPA-NXX(s) are not covered under this Agreement and are not subject to Reciprocal Compensation.

IV. Payment and Billing Disputes:

- A. Payments of undisputed amounts are due within thirty (30) days of the bill date as shown on the face of the bill.
- B. A late payment penalty of the lesser of 1.5% per month and the maximum amount allowed by law will be imposed on all undisputed balances outstanding which are not paid within the thirty (30) day period.
- C. If any portion of an amount due to a Party under this Agreement is disputed, the Party disputing the bill shall give detailed written notice to the billing Party within thirty (30) days of receipt of the invoice containing the disputed amount. No dispute identified later than the thirty (30) day period for notice shall be valid, and the Parties agree not to pursue resolution of a dispute identified later than the 30-day notice period in any forum, including but not limited to the FCC, Commission, or court. In addition, the Parties agree that no action, regardless of form, may be brought by either Party more than one (1) year after the cause of action has accrued. The Parties waive the right to invoke any different limitation on bringing action provided under state or federal law, unless such waiver is otherwise barred by law. If the disputed amount is determined (by the Parties,

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FCC, Commission or court) to be due and payable, the unpaid amount plus interest of the lesser of 1.5% per month and the maximum amount allowed by law shall become due.