

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

02 MAY 31 PM 1:13
P.C.A.
RECEIVED

Before Commissioners:

G. Nanette Thompson, Chair
Bernie Smith
Patricia M. DeMarco
Will Abbott
James S. Strandberg

In the Matter of Matanuska Telephone)
Association, Inc.'s Submission of a Negotiated)
Interconnection Agreement with Alaska)
DigiTel for Approval under Section 252(e))
of the Telecommunications Act of 1996)
_____)

U-02-*del*

**SUBMISSION OF NEGOTIATED INTERCONNECTION
AGREEMENT FOR APPROVAL**

Matanuska Telephone Association, Inc. (MTA) hereby submits the "Interconnection and Reciprocal Compensation Agreement" (Agreement) negotiated with Alaska DigiTel (AD). Section 252 (e) (1) requires that "any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission." The enclosed Agreement was adopted through voluntary negotiation.

The Agreement replaces an existing agreement approved by the Commission on May 17, 2000 by Letter Order # L0000521. There are two substantive changes between the enclosed Agreement and the one currently in effect. First, there is a negotiated reduction of the recurring usage sensitive charge from \$.02 per terminating minute-of-use (MOU) to \$.018 per terminating MOU through December 31, 2002, and a final rate of \$.016 per terminating MOU

effective on January 1, 2003. Second, pursuant to 47 C.F.R. 51.709(b), language has been added outlining how each carrier will pay its proportionate share of the transmission facilities dedicated to the transmission of traffic between the two carriers' networks.

MTA requests that the Commission approve the contract with an effective date of April 2, 2002.

Respectfully submitted this 29th day of May, 2002.
MATANUSKA TELEPHONE ASSOCIATION, INC.



By: Donald J. Reed

Its: Director of Regulatory Affairs and Carrier Relations

INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT

This Interconnection and Reciprocal Compensation Agreement ("Agreement") by and between Alaska DigiTel ("AD") and Matanuska Telephone Association, Inc. ("MTA") sets forth terms and conditions for interconnection (collectively, "the Parties").

WHEREAS, AD is authorized by the Federal Communications Commission ("FCC") to provide Personal Communications Services ("PCS") and provides such service to its end user customers and operating wireless affiliates; and

WHEREAS, MTA is a certified provider of local exchange service; and

WHEREAS, AD terminates local telecommunications traffic that originates from MTA's subscribers, and MTA terminates local telecommunications traffic that originates from AD's subscribers;

WHEREAS, the Parties wish to establish a reciprocal compensation interconnection arrangement that compensates each other for terminating local telecommunications traffic that originates on the other Party's network in accordance with the Telecommunications Act of 1996 ("Act") and FCC rules and orders promulgated pursuant to the Act.

NOW, THEREFORE, IN CONSIDERATION of the covenants contained herein, the Parties hereby agree as follows:

I. Type of Interconnection

- (a) Interconnection specifications are outlined on Attachment 'A' Type of Interconnection of this Agreement.

II. Rates and Charges

- (a) Rates and Charges for the services provided in Section I. Type of Interconnection shall be reciprocal and are outlined on Attachment 'B' Charges to this Agreement.
- (b) MTA and AD further understand that the contract is, at all times, subject to revisions by the Regulatory Commission of Alaska (RCA), Federal Communications Commission (FCC) or other governmental authority, provided however, that, MTA will not unilaterally seek to change the contract without first negotiating in good faith with AD.

- (c) MTA and AD agree that each is responsible for billing and collecting from their own customers.

III. Proprietary Information

During the term of this Agreement, the parties may, but shall not be obligated to, disclose information to each other, which they consider proprietary or confidential.

Without specific prior written consent, except by law or court order, either party shall not disclose to any third party, including but not limited to any competitors of AD whether affiliated or unaffiliated with MTA, any information supplied to it by the other which has been designated as confidential, and which is not otherwise generally available to the public, or is not already known to the other. This confidentiality requirement shall survive beyond the term of this Agreement and for a period of two (2) years.

IV. Force Majeure

The parties' performance under this Agreement shall be excused if such non-performance is due to labor difficulties, governmental orders, equipment failure, inability or delay in securing equipment, civil commotions, acts of nature, weather conditions and other circumstances beyond the parties' reasonable control.

V. Audit

Upon thirty (30) calendar days written notice (or such shorter period as the parties may mutually agree upon), MTA and AD or their authorized representatives, shall have the right to examine and audit each other, during normal business hours and at reasonable intervals, as determined by the party undergoing the audit, all such records and accounts in the possession of the other, which contain information bearing upon determination of the amounts payable to MTA or AD. The maximum period of any audit shall encompass is twenty-four (24) months, or the period from the most recent audit, whichever is less. Not more than one (1) audit shall be conducted in any twelve (12) month period during the term of this Agreement or any renewal period.

No claim or demand with respect to any audit may be made by MTA or AD more than two (2) years after the date of the event which gave rise to the claim or demand.

VI. Notices

Except as otherwise provided in this Agreement, all notices required or permitted to be given shall be made in writing and either delivered in person, sent via facsimile ("FAX") or by certified mail, return receipt requested, postage prepaid, in any post office in the United States and addressed as set forth below. The address to which notices or communications may be given to either party may be changed by written notice given by such party to the other. A notice sent via FAX is effective forty-eight (48) hours after the sender's receipt of a 'good' transmission slip.

Matanuska Telephone Association, Inc.
Attention: Greg Berberich, Chief Executive Officer
1740 South Chugach Street
Palmer, Alaska 99645
Fax: 907-761-2677

Alaska DigiTel
Attention: Kris Perry, General Manager
3127 Commercial Drive
Anchorage, Alaska
Fax: 907-274-3112

VII. Term

This Agreement shall continue in force for a minimum period of twelve (12) months from the effective date. Upon expiration of the initial twelve-month period, this agreement will continue on a month-to-month basis until cancelled by a 90 day written notice from either party to the other. Upon termination by either party, the parties shall negotiate in good faith to agree to a replacement agreement or agreements.

VIII. Effective Date

The effective date of this agreement shall be the date of approval by the Regulatory Commission of Alaska (RCA) pursuant to 3AAC 48.390.

IX. Applicable Law

The validity, construction and performance of this Agreement shall be governed by and interpreted in accordance with laws of the State of Alaska.

X. Liability

There shall be no liability of a party for indirect or consequential damages. Each party agrees to reimburse the other party for damages to premises or equipment resulting from a party's negligence in the installation, maintenance or interconnection to or removal of facilities, services or arrangements. Each party represents that its system is constructed in accordance with all applicable laws orders rules and regulations, and in accordance with all applicable technical standards and specifications. Each party shall indemnify and hold the other harmless from any and all claims which arise out of the interconnections provided under this agreement, unless the claim arises out of negligent or wrongful conduct of the other party.

XI. Patents

- (a) With respect to claims of patent infringement made by third persons, AD shall defend, indemnify, protect and save harmless MTA from and against all claims arising out of or based on the use of equipment or arrangements furnished under this Agreement by AD or its Customers.
- (b) With respect to claims of patent infringement made by third persons, MTA will defend, indemnify, protect and save harmless AD from and against all claims arising out of or based on use by AD of channels, interconnection types or arrangements furnished by MTA or its Customers under this Agreement.
- (c) Neither Party grants to the other any license under patents nor shall any be implied or arise by estoppel in either Party's favor with respect to any circuit, apparatus, system or method used by the parties in connection with any channels, interconnection types, or arrangements furnished under this Agreement.
- (d) NOT WITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT THIS PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE EXISTS, NO WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EITHER PARTY OF THE OTHER PARTY'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED BY THE OTHER PARTY UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OR INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

XII. Allowance for Interruptions

- (a) Credit for interruption of non-usage sensitive service will be made in accordance with MTA's local tariff Section 1.1.2.A.

- (b) Restoration of service will be performed in accordance with MTA's Priority Call Out Guidelines (Attachment D).

XIII. Miscellaneous

(c) Tariffs

In the event that any of the service provided hereunder or the charges made therefor are currently subject, or at any time become subject, to any federal, state or local regulation or tariff, then the terms and conditions of this Agreement, including the charges set forth in Attachment 'B' Charges (as amended from time to time) shall be deemed amended to conform to any conflicting terms and conditions in effect under such regulation or tariff; provided, however, that all nonconflicting terms and conditions of this Agreement shall remain valid and effective.

(d) Non-waiver

The waiver, express or implied, by either party hereto or any rights hereunder or of any failure to perform or breach hereof by the other party hereto shall not constitute or be deemed a waiver of any right hereunder or any other failure to perform or breach hereof by the party hereto, whether of a similar or dissimilar nature.

(e) Limitations of Joint Liability

The parties are, for purposes of this Agreement, independent contractors and nothing herein shall be construed to imply that they are partners, joint venturers or agents of one another.

(f) Assignment

Any assignment by either Party of any right, obligation or duty, in whole or in part, or of any other interest, without the written consent of the other Party shall be void.

(g) Compliance with Laws

Nothing in this Agreement shall be deemed an admission by either party hereto that any provision of state or federal law has been complied with, nor shall such Agreement, or any portion thereof, be deemed a waiver of any right or remedies that either party may have under the state or federal law.

(h) Entire Agreement

This Agreement and all appendices and amendments embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications,

representations or agreements, either oral or written, between the parties.

(i) Modifications

This Agreement shall only be amended, modified or changed in writing, executed by an authorized representative of the parties, with the same formality as this Agreement was executed, excluding the provision set forth by and RCA order and such writing shall be attached to this Agreement as an appendix.

(j) Affiliate Agreements

In the event MTA materially amends its existing interconnection agreement with its cellular affiliate, MTA will provide AD with a copy of the public notice of any such amendment and will agree to renegotiate this Agreement upon written request of AD.

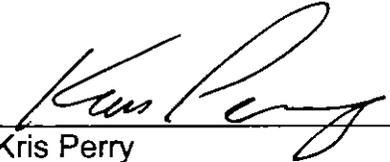
IN WITNESS THEREOF, the undersigned have executed this Agreement.

MATANUSKA TELEPHONE
TELEPHONE ASSOCIATION, INC.



Greg Berberich
Chief Executive Officer

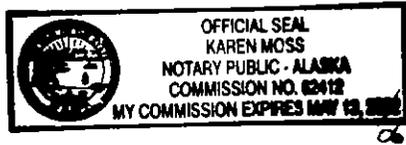
ALASKA DIGITEL

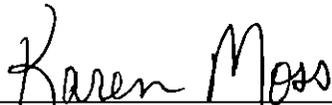


Kris Perry
General Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this 29th
day of May 2002, by Greg Berberich, CEO on behalf of Matanuska Telephone
Association, Inc.



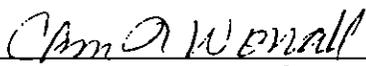


Notary Public in and for Alaska

My Commission Expires: 5-13-06

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this 14th
day of May 2002, by Kris Perry, General Manager on behalf of Alaska DigiTel.



Notary Public in and for Alaska
My Commission Expires: 7/25/05

Joint Traffic Interchange Agreement

May 3, 2002

ATTACHMENT 'A'
Type of Interconnection

1. MTA will provide DS1 (T-1) service for Type 2B, or interoffice trunk connection between the point of presence of the agent representing Alaska DigiTel and the Palmer Central Office
2. The interconnection to be provided is a Type 2B interconnection as described in Bellcore GR-145-CORE and EIA/TIA TR-45, IS-93, as amended, and specifications for and technical operations of such interconnection shall be consistent with these technical reference documents.
3. A mobile to land call (end user served on an EAS basis from the Palmer central office) will be routed (over facilities to be determined) and switched to the end user. Land to mobile calls will be routed (over the facilities to be determined) and switched to the end user.
4. Call utilizing Type 2B trunks are limited to the local EAS service which includes Palmer, Wasilla, Willow, Palmer, Big Lake, Talkeetna (NXXs for which are 232, 352, 354, 355, 357, 373, 376, 430, 495, 623, 733, 745, 746, 761, 841, 844 and 892).
5. The parties may modify or designate additional facilities or connections to be covered by this Agreement and shall list any modified or additional facilities or connections in Attachment C.

Joint Traffic Interchange Agreement

May 3, 2002

ATTACHMENT 'B' CHARGES

1. In compliance with CFR 47 Part 51.709(b), MTA and AD shall each pay its proportionate share of the Type 2B interoffice trunk connection transmission facilities used for the interchange of call traffic between the two carriers' networks. AD's proportionate share is the estimated percentage of traffic originated by AD to MTA over the Type 2B interoffice trunk connection. MTA's proportionate share is the estimated percentage of traffic originated by MTA to AD. The estimated percentage is the previous months' percentage of traffic exchanged over the existing Type 2B interoffice trunk groups.
2. MTA shall bill AD on a monthly basis for the minute-of-use (MOU) charges and shall include sufficient detail in its invoices so that AD may reasonably verify the accuracy of the charges in accordance with Section 6 below. Either party shall pay such invoices within forty-five (45) days of the statement. In the event of a dispute over the amount of the invoice, either party shall pay the disputed amount into an escrow account pending resolution of the dispute.

AD will invoice MTA for its proportionate share of transmission facilities, providing adequate supporting documentation to allow MTA to verify the amounts being charged. Transmission facilities shall not exceed the number of two-way trunks between the Palmer Central office and the point of presence of the agent representing Alaska DigiTel.

3. Minutes of use will be calculated on a monthly basis based on Automated Message Accounting (AMA) minutes to calculate PCS to Land minutes and Land to PCS minutes. The AMA minutes, calculated on actual trunk holding time, will be measured in no greater than one-second intervals, without rounding on each call, and accumulated over the monthly billing period. At the end of each billing period, the total accumulated seconds will be added together to calculate the total minutes of use with the result being rounded to the nearest whole minute.
4. MTA and AD will each pay its proportionate share of any non-recurring charges for the initial set-up of additional Type 2B interoffice two-way trunks or two-way trunk groups. MTA's proportionate share is based on the estimated percentage of traffic originated by MTA to AD over existing Type 2B interoffice trunk groups. AD's proportionate share is based on the estimated percentage of traffic originated by AD to MTA over existing Type 2B interoffice trunk groups. The estimated percentage is the previous months' percentage of traffic exchanged over the existing Type 2B interoffice two-way trunk group(s). Non-recurring charges will be based on MTA's current interstate tariffed rates.

MTA and AD will each pay its proportionate share of the recurring charges for the Type 2B interoffice two-way trunks used for interchange of call traffic between the two carriers' networks. MTA's proportionate share is based on the estimated percentage of traffic originated by MTA to AD. AD's proportionate share is based on the estimated percentage of traffic originated by AD to MTA. The estimated percentage is the previous months' percentage of traffic exchanged over the Type 2B interoffice two-way trunks. Monthly recurring charges will be based on MTA's current interstate tariff.

5. Each party shall pay the recurring usage sensitive charge of \$.018 per minute-of-use (MOU) for terminating usage through December 31, 2002. The recurring usage sensitive charge for terminating usage will decrease to \$.016 on January 1, 2003 and will continue until this contract is re-negotiated by the parties.
6. Billing periods and billing calculations will be made on a calendar month basis. Initially, the total MTA originating minutes to AD will be subtracted from the AD originating minutes to MTA, as calculated according to paragraph 2 above, and the resulting minutes will be multiplied by the appropriate usage sensitive charge to arrive at the total reciprocal compensation charges owed by AD to MTA for the monthly billing period. (For example, prior to January 1, 2003, if the total MTA originating minutes to AD in a billing month were to equal 800 minutes and the total AD originating minutes to MTA in a billing month were to equal 1000, MTA will bill AD for 200 minutes at \$0.018 per minute for a total of \$3.60). At such time as MTA's customers are terminating more minutes on AD's switch monthly than AD is terminating on MTA's switch monthly, AD will bill MTA monthly for the amount owed to AD by MTA using the calculation method listed above.

Joint Traffic Interchange Agreement
May 3, 2002

ATTACHMENT 'C'
ADDITIONAL FACILITIES

To be determined.

Joint Traffic Interchange Agreement

May 3, 2002

**ATTACHMENT 'D'
PRIORITY CALL-OUT GUIDELINES**

1. PRIORITY

- A. Public Safety – Fire Department – Police – Hospital (Dispatch C.O. and or Date Technician)
 - Complete outage or main-line outage.
 - Loss of trunking facility carrying 911 or special service circuits (C.O. dispatch) until Cordell is hooked up in Dispatch, call Comat employees to look in switch for 911 information that did not identify on 911 calls.
- B. Doctors – 24 hour coverage (includes Strickland Answering Service per Marketing contract for 24 hour call out).
- C. Power Company.
- D. Medical emergency – death in family.
- E. Cable cut (priority circuits) or more than 8 subscribers out of service.
- F. FAA – depending on which circuit – and verify we have access to the building usually someone has to be on site or it is done the next day.
- G. Seismograph (2 hour response time) (745-4212 – call and ask if they are using an alternate circuit and can wait).
- H. Business (hotels, during business hours).
- I. Radio Station.
- J. Trap Circuits (life or death, others would wait until the next day).
- K. Carrier systems – CM8 outage, DSS6000, SLK5 (8 subscribers out)

LOW PRIORITY

- A. Cable cuts – no priority circuits and less than five residential customers effected.
-

NO CALL OUTS

- A. Business – closed at night or weekend and/or 1 line working.
- B. Residential unless at least 8 subscribers out of service.
- C. Public/semi public pay station.