

ORIGINAL

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September 15, 2004

Blanca Bayo, Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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COMMISSION  
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041091-TP

In re: ITS Telecommunications Systems, Inc./Nextel South Corp. –  
Wireless Interconnection and Reciprocal Compensation Agreement

Dear Ms. Bayo:

Enclosed for filing and review are two copies of a Wireless Interconnection and Reciprocal Compensation Agreement between ITS Telecommunications Systems, Inc. and Nextel South Corp. Please furnish this to the appropriate staff member.

Thank you for your attention to this matter.

Sincerely,



David B. Erwin

DBE:jm

Copy: Don Hartsfield, ITS

DOCUMENT NUMBER DATE

10006 SEP 15 04

FPSC-COMMISSION CLERK

**WIRELESS INTERCONNECTION AND RECIPROCAL  
COMPENSATION AGREEMENT**

**BETWEEN**

**ITS TELECOMMUNICATIONS SYSTEMS, INC.**

**AND**

**NEXTEL SOUTH CORP.**

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**I. Article I**

**1. INTRODUCTION**

This Interconnection and Reciprocal Compensation Agreement (“Agreement”) is effective as of the 1st day of September 2004 (the “Effective Date”), by and between between ITS Telecommunications Systems, Inc. (“ITS”) with offices at P. O. Box 277, Indiantown, Florida 34956 and Nextel South Corp. (“Nextel”) with offices at 2001 Edmund Halley Dr., Reston, VA 20191.

**2. RECITALS**

WHEREAS, ITS is an incumbent Local Exchange Carrier in the State of Florida;

WHEREAS, Nextel 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 state of Florida;

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

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

WHEREAS, Sections 251 and 252 of the “Act”, have specific requirements for Interconnection, and the Parties intend that this Agreement meets these requirements; and,

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, ITS and Nextel 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.
- 1.2 “Affiliate” means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term “own” means to own an equity interest (or the equivalent thereof) of more than 10 percent.
- 1.3 “Central Office Switch” means a 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 Florida Public Service Commission.
- 1.6 “Extended Area Service” or “EAS” is defined as traffic that originates in one exchange and terminates in another exchange, where the originating and terminating exchanges have an arrangement between them such that a separate

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toll charge is not applied. The terms EAS and EAS Exchanges are as defined and specified in ITS' then current General Subscriber Service Tariff.

- 1.7 "Effective Date" means the date first above written.
- 1.8 "FCC" means the Federal Communications Commission.
- 1.9 "Interconnection" for purposes of this Agreement is the linking of ITS and Nextel networks for the exchange of Local Telecommunications Traffic described in this Agreement.
- 1.10 "Interexchange Carrier" or "IXC" means a carrier, other than a CMRS provider (with the exception of certain interstate interexchange services provided by CMRS carriers, which are subject to interstate access charges) or LEC that provides or carries, directly or indirectly, InterLATA Service or IntraLATA Toll Traffic.
- 1.11 "InterLATA Service" means telecommunications between a point located in a local access and transport area and a point located outside such area.
- 1.12 "IntraLATA Toll Traffic" means those intraLATA station calls that are not defined as Local Telecommunications Traffic in this Agreement.
- 1.13 "Local Access and Transport Area" or "LATA" is as defined in the Act.
- 1.14 "Local Service Area" means, for Nextel, Major Trading Area Number 15 (Miami-Fort Lauderdale) and for ITS, its local calling area contained in ITS's then current General Subscriber Service Tariff.
- 1.15 "Local Telecommunications Traffic" is defined for all purposes under this Agreement as Local Service Area traffic that (a) is originated by a customer of one Party on that Party's network, (b) terminates to a customer of the other Party on the other Party's network within the same Major Trading Area (MTA), and (c) 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, provided that the service provided by Nextel is a two-way mobile service. For purposes of determining originating and terminating points, the originating or terminating point for ITS shall be the end office serving the calling or called party, and for Nextel shall be the originating or terminating cell site location which services the calling or called party at the beginning of the call.
- 1.16 "Local Exchange Carrier" or "LEC" is as defined in the Act.
- 1.17 "Major Trading Area" or "MTA" means the service areas based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd edition, at pages 38-

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39, as further specified or modified by 47 C.F.R. § 24.202(a) or other applicable law.

- 1.18 “Mobile Switching Center” or “MSC” is a switching 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.
- 1.19 “Non-Local Telecommunications Traffic” – Traffic that originates and terminates in different MTAs. Non-Local Telecommunications Traffic includes traffic that is rated as Local Telecommunications Traffic, based on the rate centers associated with the originating and terminating numbers, but originates and terminates in different MTAs.
- 1.20 “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).
- 1.21 “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.
- 1.22 “Party” means either ITS or Nextel, and “Parties” means ITS and Nextel.
- 1.23 “Point of Interconnection” (“POI”) means that technically feasible point of demarcation where the exchange of Local Telecommunications Traffic between two carriers takes place.
- 1.24 “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.
- 1.25 “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 Section 1.15 above, that originates on the network facilities of the other carrier.
- 1.26 “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 as described in the Telecommunications Act, 47 U.S.C. §153(43).

- 1.27 "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. Section 226(a)(2)).
- 1.28 "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.
- 1.29 "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.
- 1.30 "Transport" means the transmission and any necessary tandem switching of Local Telecommunications Traffic subject to Section 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.
- 1.31 "Type 1 Service" often referred to as a line-side trunk connection, is a service that involves connection to a telephone company end office similar to that provided to a private branch exchange (PBX). A type 1 Service is offered in connection with the provision of telephone numbers hosted by an ITS switch.
- 1.32 "Type 2 Service" often referred to as a trunk side connection, is a service that involves interconnection to a telephone company end office (Type 2-B) or tandem (Type 2-A).

## **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 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 Nextel and the LEC network of ITS for purposes of exchanging Local Service Area traffic, provided that the service provided by Nextel to its customer is a two-way mobile service as defined in 47 U.S.C. §153(27). This Agreement does not cover Nextel one-way paging service traffic or fixed wireless service. Nextel does not currently provide fixed wireless services in ITS' Local Service Area. Nextel agrees that it will provide ITS prior notice of its intent to launch fixed wireless services in ITS' Local Service Area. Upon ITS' receipt of such notice, the Parties agree to negotiate an appropriate agreement or an Amendment to this Agreement, which will address the exchange of such traffic.

3.3 Nextel represents that it is a CMRS provider of telecommunications services to subscribers in MTA No. 15 (Miami-Fort Lauderdale). Nextel's NPA/NXXs are listed in Telcordia's Local Exchange Routing Guide ("LERG") for Operating Company Number ("OCN") 6232 in the state of Florida.

3.4 This Agreement is limited to ITS end user customers' traffic for which ITS has tariff authority to carry. ITS' NPA/NXX(s) are listed in the LERG under OCN 0331.

3.5 Nextel may order facilities from ITS for delivery of EAS traffic directly to Nextel. If Nextel orders such facilities, the Parties agree that an NPA/NXX assigned to Nextel shall be included in any EAS calling scope to the same extent as any other incumbent LECs NPA/NXX in the same rate center provided that Nextel assigns numbers from such NPA/NXX(s) to customers that are within the Local Service Area of ITS and that Nextel has network facilities to serve such customers.

3.6 The traffic that is exchanged through an Interexchange Carrier ("IXC") is not covered under this Agreement

3.7 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 and arrangements between the networks of ITS and Nextel. Routing of traffic shall be as described in this section, except that, alternatives may be employed in the event of emergency or temporary equipment failure.

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4.1 Interconnection at Indiantown: A two-way trunk group will be provided and provisioned between ITS' Indiantown End Office Switch (INTWFLXADS1) and Nextel, with the POI at ITS' Indiantown End Office Switch. This trunk group is provisioned in connection with Nextel's NPA/NXX(s) rate centered at ITS' exchange(s) or EAS exchange(s). The Parties shall exchange Local Service Area traffic via this two-way trunk group. Applicable tariff charges for establishing and provisioning this two-way trunk group are billed by ITS to Nextel in accordance with Section 5.4.4, below.

4.1.1 Landline-to-Wireless: Local Service Area calls from ITS customers to Nextel customers shall be routed from ITS' network to Nextel via the two-way direct trunk group.

4.1.2 Wireless-to-Landline: Local Service Area calls originated by Nextel customers within MTA No. 15 (Miami-Fort Lauderdale) or customers of another CMRS provider that has entered into a roaming arrangement with Nextel, while roaming in MTA No. 15, to ITS customers shall be routed from Nextel's network via the two-way direct trunk group to ITS.

4.2 Indirect Traffic to ITS: To the extent that Nextel and other ILECs have entered into or may enter into contractual arrangements for the delivery of Nextel traffic to ITS' network for termination to ITS' customers, ITS will accept this traffic subject to compensation arrangement as outlined in Section 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 ITS may be delivered to Nextel's network. In addition, traffic that is originated by a customer or roamer of Nextel on Nextel's network that is routed to ITS 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, Florida state courts or federal courts. ITS will continue to perform transiting functions for Nextel pending ruling from the Commission, FCC, Florida state courts or federal courts. ITS will bill the originating carrier (Nextel or a Non-Party Carrier) the transiting charge, as specified in Section 5 below. In order for Nextel or a Non-Party Carrier to bill the originating carrier (a Non-Party or Nextel) for charges it is obligated to pay, ITS will provide, subject to availability, total minutes of Transiting Traffic terminating to the terminating carrier (Non-Party Carrier or Nextel). Nextel 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 ITS.

## 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 Section 1.15 and is related to the exchange of traffic described in Section 4. 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 parties shall reciprocally and symmetrically compensate one another for Local Telecommunications Traffic termination for their respective customers at the rate of \$0.030, as listed in Appendix A.

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 the 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. The Parties' agreement to eliminate billing for Reciprocal Compensation carries with it the precondition regarding the Traffic Balance Threshold discussed above. As such, the two points have been negotiated as one interrelated term containing specific rates and conditions, which are non-separable for purposes of Section 15, hereof.

5.2 Traffic Subject to Switched Access Compensation.

Parties agree that traffic rated and recorded as Local Telecommunications Traffic, may originate or terminate in another MTA, and therefore is Non-Local Telecommunications Traffic and subject to Switched Access Compensation.

Switched Access Compensation is applicable to all Non-Local Telecommunications Traffic exchanged between ITS and Nextel, to the extent that such traffic is not handed off to an IXC. Nextel shall compensate ITS at ITS' interstate Switched Access rates for all such Non-Local Telecommunications Traffic.

5.3 Traffic Subject to Transit Compensation.

Transit Compensation is applicable to Transit Traffic that originates on Nextel's network and is routed to ITS for delivery to a Non-Party telecommunications carrier as described in Section 4.3 above.

The rate for Transiting Compensation is listed in **Appendix A**.

5.4 Calculation of Payments and Billing.

5.4.1 ITS shall compensate Nextel for Local Telecommunications Traffic that is delivered by ITS to Nextel, as prescribed in Section 4.1, and at the rate provided in Section 5.1. Nextel will compensate ITS for Local Telecommunications Traffic delivered to ITS for termination to its customers, as prescribed in Sections 4.1 and 4.2 and at the rate provided in Section 5.1; for Switched Access Traffic exchanged between Nextel & ITS, as prescribed and at the rates provided in Section 5.2; and for Transit Traffic described in 4.3 and at the rate provided in Section 5.3; above.

5.4.2 Nextel shall prepare a monthly billing statement to ITS, reflecting the calculation of Reciprocal Compensation due Nextel. ITS shall prepare a monthly billing statement to Nextel, which will separately reflect the calculation of Reciprocal Compensation, Switched Access Compensation, Transit Traffic Compensation, and total compensation due ITS.

5.4.3 Recognizing that ITS has no way of measuring the Non-Local Telecommunications Traffic and in the event that Nextel does not track the usage information or perform periodic (quarterly or semi-annual) traffic studies required to identify the Non-Local Telecommunications Traffic originated or terminated by ITS, Parties agree to a default factor of 0% as an estimate of Non-Local Telecommunications Traffic. The actual recorded usage shall be the basis for billing, when available and verifiable.

5.4.4 Where direct interconnection facilities are used for traffic exchanged between the Parties, the charges for such facilities provided by ITS shall be shared based on each Party's proportion of originating traffic to total traffic exchanged between the Parties, in accordance with this Agreement. If actual usage data is not available in order to determine the amount of traffic exchanged between the Parties, then an estimated percentage of originating traffic to total traffic may be used. This estimated percentage is referred to as the Traffic Factor and is listed in **Appendix A** of this Agreement. The charges for such facilities, excluding cost of new construction, provided and billed by ITS shall be reduced by applying the Traffic Factor in **Appendix A**. The Parties agree to review these percentages on a periodic basis and, if warranted by the actual usage, revise the Traffic Factor appropriately.

5.4.5 Each party may request with prior written notice 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 12 months in age from the date the monthly bill containing said record information was issued. Such requests will be limited to a maximum of one per year.

## **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.

## **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 for 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 Nextel to the ITS SS7 systems is permitted. Such connections will meet generally accepted industry technical standards.

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 and provide detailed information to the terminating carrier so that the terminating carrier can render an accurate and timely bill to the originating carrier. Such information shall be rendered as part of the SS7 call record in generally accepted industry format and shall include any available information to help facilitate a timely and accurate billing process.

## **8.0 TERM AND TERMINATION**

8.1 Subject to the provisions of Section 14, the initial term of this Agreement shall be for one year ("Term"), which shall commence on the Effective Date. This Agreement shall automatically renew for successive six-month periods, unless, not less than sixty (60) 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.

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 thirty (30) 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 (1-1/2%) per month or (ii) the highest rate of interest that may be charged under Florida's applicable law. In addition, the Billing Party may initiate a complaint proceeding with the appropriate regulatory or judicial entity, if unpaid

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undisputed amounts become more than 90 days past due, provided the Billing Party gives an additional 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 (1-1/2%) per month or (ii) the highest rate of interest that may be charged under Florida's applicable law.

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:

<b>Nextel South Corp.</b>	<b>ITS</b>
Nextel Communications Attn: Telco Cost Management 2001 Edmund Halley Dr. Reston, VA 20191	ITS Telecommunications Systems, Inc. Attn: Accounts Payable P. O. Box 277 Indiantown, Florida 34956

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 Either Party may terminate this Agreement in whole or in part in the event of a default of the other Party, provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and the defaulting Party does not implement mutually acceptable steps to remedy such alleged default within thirty (30) days after receipt of written notice thereof.

**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. Nothing in this section is intended to prohibit modification of specific provisions as a result of a change in law as contemplated by Section 15.0.

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:

(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; and

(3) claims for infringement of patents arising from combining the Indemnified Party's facilities or services with, or the using of the Indemnified Party's services or facilities in connection with, facilities of the Indemnifying Party.

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

Notwithstanding this indemnification provision or any other provision in the Agreement, neither Party, nor its parent, subsidiaries, affiliates, agents, servants, or employees, shall be liable to the other for Consequential Damages (as defined in Section 12.3).

11.2 The Indemnified Party will notify the Indemnifying Party within 30 days 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 negligence or willful misconduct.

12.2 Except as otherwise provided in Section 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 negligence or willful misconduct.

12.3 Except as otherwise provided in Section 11.0, 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.

## **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 Section 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.

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, by providing written notice to the other party, require that the affected provisions of this Agreement be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions of each such Amended Rules relating to any of the provisions in this Agreement.

**16.0 MOST FAVORED NATION PROVISION**

In accordance with Section 252(i) of the Act, Nextel shall be entitled to obtain from ITS any Interconnection/Compensation arrangement provided by ITS to any other CMRS provider that has been filed and approved by the Commission, for services described in such agreement, on the same terms and conditions.

**17.0 MISCELLANEOUS**

**17.1 Authorization**

17.1.1 ITS Telecommunications Systems, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

17.1.2 Nextel South Corp. is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

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

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

17.4 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, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions or any other circumstances beyond the reasonable control and without fault or negligence of the Party affected. (collectively, a "Force Majeure Event"). If any Force Majeure condition occurs, the Party delayed or unable to perform shall give immediate notice to the other Party and shall take all reasonable steps to correct the Force Majeure condition. During the pendency of the Force Majeure, the duties of the Parties under this Agreement affected by the Force Majeure condition shall be abated and shall resume without liability thereafter.

**17.5 Confidentiality**

17.5.1 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 ("Proprietary Information") shall be deemed confidential and 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 clearly designated as confidential. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, such information: (i) shall be held in confidence by each Receiving Party; (ii) shall be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used by those persons only for such purposes; and (iii) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of such use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law, upon advice of counsel, only in accordance with Section 17.5.2 of this Agreement.

17.5.2 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 written notice of such requirement as soon as possible and prior to such disclosure. 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. The "Disclosing Party" shall bear all associated expenses.

17.5.3 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.

17.6 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 State of Florida 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.

17.7 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. 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.

17.8 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 prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void *ab initio*. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

17.9 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

17.10 Notices.

17.10.1 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 express delivery service; (iii) mailed, certified mail, return receipt requested to the following addresses of the Parties:

<b>To: Nextel</b>	<b>To: ITS</b>
Nextel Communications Attn: Bob Edgerly 2001 Edmund Halley Dr. Reston, VA 20191	ITS Telecommunications Systems, Inc. Attn: Don Hartsfield P. O. Box 277 Indiantown, Florida 34956

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.

17.10.2 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 ITS:

NOC/Repair Contact Number: 1-772-597-4140

For Nextel:

NOC/Repair Contact Number: 1-888-5NEXTEL

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.

17.11 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.

17.12 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.

17.13 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.

17.14 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.

17.15 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.

17.16 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.

## **18.0 DISPUTE RESOLUTION**

Except as provided under Section 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.

18.1 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.

18.2 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 voluntary 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 be responsible for their individual fees and equally split the administrative fees associated

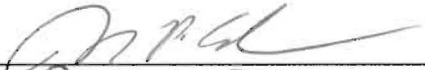
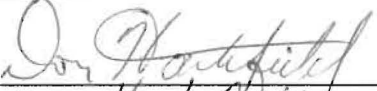


Interconnection and Reciprocal Compensation Agreement between ITS and Nextel

with the arbitration procedure including the arbitrator of any mutually agreed upon arbitration procedure and the associated arbitrator.

18.3 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.

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

Nextel South Corp.	ITS Telecommunications Systems, Inc.
By: <u></u> Name: <u>Drew Caplin</u> Title: <u>VP, Network Services</u> Date: <u>August 1, 2004</u>	By: <u></u> Name: <u>Don Hartsfield</u> Title: <u>Controller</u> Date: <u>September 14, 2004</u>

**Appendix A**

**1.0 Reciprocal Compensation**

The rate for Reciprocal Compensation is \$0.030 per minute of use.

**2.0 Transiting Compensation**

The rate for Transiting Compensation is \$0.005 per minute of use.

**3.0 Traffic Factor for Shared Facilities**

- a) Landline-to-Wireless - 25%
- b) Wireless-to-Landline - 75%