

INTERCONNECTION AGREEMENT

BY AND BETWEEN

PALMERTON TELEPHONE COMPANY

AND

SPRINT COMMUNICATIONS COMPANY, L.P.

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This Interconnection Agreement ("Agreement") is made effective upon approval by the Pennsylvania Public Utility Commission or the date the Agreement is deemed approved under 47 USC 252 by and between Palmerton Telephone Company ("ILEC"), a Pennsylvania corporation with offices at 613 Third Street, Palmerton, PA 18071 and Sprint Communications Company L.P. ("Sprint") a Delaware limited partnership with offices at 6160 Sprint Parkway, Overland Park, KS 66251. Notwithstanding the parties will begin implementation discussions and activities after signature by both parties. Palmerton Telephone Company and Sprint may also be referred to herein singularly as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, ILEC is an incumbent local exchange carrier ("ILEC") and Sprint is a competitive local exchange carrier ("CLEC") and both Parties are authorized by the Pennsylvania Public Utility Commission ("Commission") to provide telecommunications services in the State of Pennsylvania; and

WHEREAS, Sections 251 and 252 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the "Act") have specific requirements for interconnection, and the Parties intend to comply with these requirements; and

WHEREAS the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and provide other services as required by the Act and applicable law; and

WHEREAS, Sprint may want to utilize the network of one or more third-party LECs that connect to the ILEC network as a means for the exchange of traffic as defined in this Agreement; and

WHEREAS, the Parties have arrived at this Agreement through negotiations undertaken pursuant to the Act;

NOW THEREFORE, in consideration of the mutual obligations set forth below, the Parties agree to the following terms and conditions:

1. Term of Agreement

- 1.1. This Agreement shall be effective as set forth above and have an initial term of one year. Unless renegotiated pursuant to this Section 1, this Agreement shall automatically renew for successive one (1) year periods.

- 1.2. Either Party may seek to negotiate a new agreement by providing written notice to the other Party at least sixty (60) days prior to expiration of the initial term or any succeeding term. Provided the Parties are pursuing negotiation, mediation, or arbitration of a new Agreement, this Agreement shall continue in full force and effect until such new Agreement is effective.

2. Definitions

Except as otherwise specified herein, the following definitions will apply to all sections contained in this Agreement. Additional definitions that are specific to the matters covered in a particular section may appear in that section.

- 2.1. Act, as used in this Agreement, means the Communications Act of 1934 (47 U.S.C. Section 151 et seq.), as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the Federal Communications Commission ("FCC") or the Commission.
- 2.2. Bill and Keep shall mean that the originating Party has no obligation to pay terminating charges to the terminating Party for terminating Local Traffic subject to this Agreement.
- 2.3. Commercial Mobile Radio Services or "CMRS" means Commercial Mobile Radio Services as defined in Part 20 of the FCC's rules.
- 2.4. Commission means the Pennsylvania Public Utilities Commission.
- 2.5. Customer, End User or End User Customer means the residence or business subscriber that is the ultimate user of telecommunications services provided by either of the Parties or by a third-party telecommunications carrier.
- 2.6. DS1 is a digital signal rate of 1.544 Megabits per second ("Mbps").
- 2.7. DS3 is a digital signal rate of 44.736 Mbps.
- 2.8. Extended Area Service ("EAS") is a service arrangement whereby End Users in a specific local service exchange area are provided the ability to place and receive interexchange calls to End Users in another mutually exclusive specific local service exchange area on the basis of terms, conditions and charges that are distinct from the terms applicable to message toll service.
- 2.9. EAS Traffic means two-way traffic that falls within the definition of "EAS" that is exchanged between the Parties.

- 2.10. Interconnection in this Agreement is as defined in the Act.
- 2.11. Interconnection Facility is the dedicated transport facility used to connect the Parties' networks.
- 2.12. Intra-LATA Toll Traffic is as defined in the Act.
- 2.13. Internet Service Provider (ISP) Bound Traffic means traffic delivered to a provider of Internet Services and which, for purposes of intercarrier compensation, is subject to the FCC's Order on Remand and Report and Order, FCC 01-131, CC Dockets No. 96-98 and 99-68 as modified or amended.
- 2.14. Local Access and Transport Area ("LATA") has the same meaning as that contained in the Act.
- 2.15. Local Traffic means two-way telephone exchange traffic exchanged between the Parties that originates and terminates within the ILEC local calling area boundary as established and defined by the Commission and includes mandatory EAS traffic.
- 2.16. Percent Local Usage or PLU is a calculation which represents the ratio of the EAS/Local minutes to the sum of EAS/Local minutes and all other minutes sent between the Parties over Local Interconnection Trunks.
- 2.17. Point of Interconnection (POI) means the physical location(s) at which the Parties' networks meet for the purpose of exchanging Local Traffic.
- 2.18. Telecommunications Services shall have the meaning set forth in 47 U.S.C. 153(46).

3. Billing and Payments

The Parties shall bill each other for all charges due on a monthly basis and all such charges, except those in dispute, shall be payable within thirty (30) days of the bill date. Any amounts not paid when due shall accrue interest from the date such amounts were due at the highest rate of interest that may be charged under applicable law.

4. Audits

Either Party may conduct an audit of the other Party's books and records pertaining to the Services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing, data and invoicing

in accordance with this Agreement. Any audit shall be performed as follows:
(i) following at least thirty (30) Business Days' prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party; (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.

5. Limitation of Liability

5.1. Except for the willful or intentional misconduct or gross negligence of one or both Parties, the Parties agree to limit liability in accordance with this Section. The liability of either Party to the other Party for damages arising out of (i) failure to comply with a direction to install, restore or terminate facilities, or (ii) failures, mistakes, omissions, interruptions, delays, errors, or defects occurring in the course of furnishing any services, arrangements, or facilities hereunder shall be determined in accordance with the terms of the applicable tariff(s) of the providing Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro rata monthly charge for the period in which such failures, mistakes, omissions, interruptions, delays, errors, or defects. Because of the mutual nature of the exchange of traffic arrangement between the Parties pursuant to this Agreement, the Parties acknowledge that the amount of liability incurred under this Section may be zero. Neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for any indirect, incidental, special or consequential damages including but not limited to damages for lost profits or revenues, regardless of the form of action, whether in contract, warranty, strict liability, or tort, including without limitation, negligence of any kind, even if the other Party has been advised of the possibility of such damages; provided that the foregoing shall not limit a Party's liability with respect to its indemnification obligations under Section 6 of this Agreement.

5.2. Except in the instance of harm resulting from an intentional or grossly negligent action or willful misconduct, the Parties agree that neither Party shall be liable to the customers of the other Party in connection with its provision of services to the other Party under this Agreement. In the event of a dispute involving both Parties with a customer of one Party, both Parties shall assert the applicability of any limitations on liability to customers that may be contained in either Party's applicable tariff(s).

6. Indemnification

- 6.1. Each Party (the "Indemnifying Party") shall release, indemnify, defend and hold harmless the other Party ("Indemnified Party") from and against all losses, claims, demands, damages, expenses (including reasonable attorney's fees), suits or other actions, or any liability whatsoever related to the subject matter of this Agreement, (i) whether suffered, made, instituted, or asserted by any other party or person, relating to personal injury to or death of any person, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, incurred during the term of this Agreement and to the extent proximately caused by the act(s) or omission(s) of the Indemnifying Party, regardless of the form of action, or (ii) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out of the other Party's provisioning of services to the Indemnifying Party under this Agreement, except to the extent caused by the gross negligence or willful misconduct of the Indemnified Party, or (iii) arising out of the libel, slander, invasion of privacy, misappropriation of a name or likeness. Notwithstanding the foregoing, nothing contained herein shall affect or limit any claims, remedies, or other actions the Indemnifying Party may have against the Indemnified Party under this Agreement, any other contract, or any applicable tariff(s), regulation or laws for the Indemnified Party's provisioning of said services.
- 6.2. The Indemnified Party shall (i) notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section and (ii) tender the defense of such claim, lawsuit or demand to the Indemnifying Party, (iii) assert any and all provisions in its tariff that limit liability to third parties as a bar to any recovery by the third-party claimant in excess of such limitation. The Indemnified Party also shall cooperate in every reasonable manner with the defense or settlement of such claim, demand, or lawsuit. The Indemnifying Party shall keep the Indemnified Party reasonably and timely apprised of the status of the claim, demand or lawsuit. In no event shall the Indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, delayed or conditioned. The Indemnified Party shall have the right to retain its own counsel, at its expense, and participate in but not direct the defense, except that if the Indemnifying Party does not promptly assume or diligently pursue the tendered action, then the Indemnified Party may proceed to defend or settle said action at the expense of the Indemnifying Party.
- 6.3. The Indemnifying Party shall not be liable under this Section for settlements or compromises by the Indemnified Party of any claim, demand, or lawsuit unless the Indemnifying Party has approved the settlement or compromise in advance, and such approval by the Indemnifying Party shall not be unreasonably withheld, or unless the defense of the claim, demand, or lawsuit

has been tendered to the Indemnifying Party in writing and the Indemnifying Party has failed to promptly undertake the defense.

7. 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, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation, acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power failure or blackouts, or adverse weather conditions, labor unrest, including without limitation, strikes, slowdowns, picketing, or boycotts. In the event of any such excused delay in the performance of a Party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying Party shall perform its obligations at a performance level no less than that which it uses for its own operations.

8. Nondisclosure of Proprietary Information

8.1. The Parties agree that it may be necessary to exchange with each other certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data, call detail records, and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the FCC and similar information (collectively, "Confidential Information"). Confidential Information shall include (i) all information delivered in written form and marked "confidential" or "proprietary" or bearing mark of similar import; (ii) oral information, if identified as confidential or proprietary at the time of disclosure and confirmed by written notification within ten (10) days of disclosure; and (iii) information derived by the Recipient (as hereinafter defined) from a Disclosing Party's (as hereinafter defined) usage of the Recipient's network. The Confidential Information shall remain the property of the Disclosing Party and is deemed proprietary to the Disclosing Party. Confidential Information shall be protected by the Recipient as the Recipient would protect its own proprietary information, including but not limited to protecting the Confidential Information from distribution, disclosure, or dissemination to anyone except employees or duly authorized agents of the Parties with a need to know such information and which the affected employees and agents agree to be bound by the terms of this Section. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement, or upon such other

terms as may be agreed to by the Parties in writing. For purposes of this Section, the Disclosing Party shall mean the owner of the Confidential Information, and the Recipient shall mean the party to whom Confidential Information is disclosed.

- 8.2. Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions on the Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency, provided that Disclosing Party has been notified of the requirement promptly after Recipient becomes aware of the requirement, and provided that Recipient undertakes all reasonable lawful measures to avoid disclosing such information until Disclosing Party has had reasonable time to obtain a protective order. Recipient agrees to comply with any protective order that covers the Confidential Information to be disclosed.
- 8.3. Each Party agrees that Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

9. Notices

Notices given by one Party to the other under this Agreement shall be in writing and delivered by hand, facsimile (fax) transmission, overnight courier or pre-paid first class mail certified U.S mail, return receipt requested, and shall be effective when received and properly addressed to:

For Sprint:

Manager, ICA Solutions
Sprint
P. O. Box 7954
Shawnee Mission, Kansas 66207-0954

or
Manager, ICA Solutions
Sprint

KSOPHA0310-3B268
6330 Sprint Parkway
Overland Park, KS 66251
(913) 762-4847 (overnight mail only)

With a copy to:

Legal/Telecom Mgmt Privacy Group
P O Box 7966
Overland Park, KS 66207-0966

or

Legal/Telecom Mgmt Privacy Group
Mailstop: KSOPKN0214-2A568
6450 Sprint Parkway
Overland Park, KS 66251
913-315-9348 (overnight mail only)

For ILEC:

Palmerton Telephone Company
613 Third Street
Palmerton, PA 18071
610-826-9272
610-826-9122

With a copy to:

Palmerton Telephone Company
Legal Department
613 Third Street
Palmerton, PA 18071
610-826-9141
610-826-9296

or to such other location as the receiving Party may direct in writing.

10. Severability

If any part of this Agreement is held to be unenforceable or invalid in any respect under law or regulation, such unenforceability or invalidity shall affect only the portion of the Agreement which is unenforceable or invalid. In all other respects this

Agreement shall stand as if such invalid provision had not been a part thereof, and the remainder of the Agreement shall remain in full force and effect, unless removal of that provision results in a material change to this Agreement. In such a case, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon, either Party may request dispute resolution pursuant to Section 12.

11. Assignment

This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and permitted assigns. Any assignment or transfer (whether by operation of law or otherwise) by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void ab initio, provided however that such consent shall not be unreasonably withheld, conditioned or delayed and shall not be required if such assignment is to a corporate affiliate or an entity under common control or an entity acquiring all or substantially all of its assets or equity, whether by sale, merger, consolidation or otherwise or in connection with a financing transaction .

12. Dispute Resolution

Each Party to this Agreement will appoint a good faith representative to resolve any dispute arising under this Agreement. If negotiations do not resolve the dispute, then either party may proceed with any remedy available to it pursuant to law, equity, or agency mechanisms.

13. Governing Law

To the extent not governed by, and construed in accordance with, the laws and regulations of the United States, this Agreement shall be governed by, and construed in accordance with, the laws and regulations of the FCC and the state of Pennsylvania, without regard to its conflicts of laws principles.

14. Taxes

Each Party shall be responsible for any and all taxes and surcharges arising from its conduct under this Agreement and shall, consistent with Section 6 indemnify and hold harmless the other Party for its failure to pay and/or report any applicable taxes and surcharges.

15. Survival

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

16. Publicity

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos, company name or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

17. Miscellaneous

- 17.1. Amendments. This Agreement may not be amended, modified, or supplemented, except by written instrument signed by both Parties.
- 17.2. Independent Contractors. The Parties to this Agreement are independent contractors. Neither Party is an agent, representative, or partner of the other Party.
- 17.3. No Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES, AND EACH PARTY HEREBY SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING ANY MATTER SUBJECT TO THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.
- 17.4. Default. If either Party believes the other is in breach of this Agreement or otherwise in violation of law, it will first give thirty (30) days notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, the Parties will employ the dispute resolution and arbitration procedures set forth in this Agreement.
- 17.5. Waiver. Any failure on the part of a Party hereto to comply with any of its obligations, agreements or conditions hereunder may be waived by written documentation by the other Party to whom such compliance is owed. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver.

17.6. Change of Law. If a federal or state regulatory agency or a court of competent jurisdiction issues a rule, regulation, law or order which has the effect of canceling, changing, or superseding any material term or provision of this Agreement then the Parties shall negotiate in good faith to modify this Agreement in a manner consistent with the form, intent and purpose of this Agreement and as necessary to comply with such change of law.

17.7. No Third-Party Beneficiaries. This Agreement shall not be deemed to provide any third party with any benefit, remedy, claim, right of action or other right.

18. Interconnection

18.1. Points of Interconnection

18.1.1. Unless interconnecting with ILEC on an indirect basis subject to Section 18.4, Sprint will establish a minimum of one POI within each LATA, at any technically feasible point, including the ILEC's end office switch or any other mutually agreed upon point on the ILEC's network.

18.1.1.1. Sprint will be responsible for engineering and maintaining its network on its side of the POI and ILEC will be responsible for engineering and maintaining its network on its side of the POI.

18.1.1.2. Regardless of how such facilities are provisioned (e.g., owned, leased or obtained pursuant to tariff, etc.) each Party is individually responsible to provide facilities to the POI that are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in a mutually acceptable format and in a manner that neither destroys nor degrades the normal quality of service each Party provides to its respective End Users. Cost sharing for such facilities is subject to this Section 18.

18.1.1.3. For construction of new facilities when the Parties choose to interconnect at a mid-span meet, Sprint and ILEC will jointly provision the facilities that connect the two networks. ILEC will be the "controlling carrier" for purposes of MECOD guidelines, as described in the joint implementation plan. ILEC will provide fifty percent (50%) of the facilities or to its exchange boundary, whichever is

less. The construction of new facilities for a mid-span meet is only applicable when traffic is roughly balanced.

18.1.1.4. If third-party (i.e. Competitive Access Provider or "CAP") leased facilities are used for interconnection, the POI will be defined as the ILEC end office or the ILEC's exchange boundary where the third party's leased circuit terminates.

18.1.2. Sprint and ILEC may utilize existing and new trunks and facilities procured in any capacity for the mutual exchange of combined traffic pursuant to the following:

18.1.2.1. Each Party shall measure and accurately identify to the other Party the traffic delivered on combined Trunks/Facilities as Local Traffic or non-Local Traffic. The charges for usage and underlying trunks/facilities shall be subject to appropriate compensation based on jurisdiction and the cost-sharing provisions as provided in this Section 18. Neither Party shall assess access charges to the other Party for the termination of Local Traffic.

18.1.2.2. Should either Party not be able to measure and accurately identify such traffic, such Party shall provide factors necessary to appropriately jurisdictionalize the traffic.

18.1.2.3. Each Party may audit the development of the other Party's actual usage or the development of the jurisdictional usage factors, as set forth in the Audit provisions, Section 4 of this Agreement.

18.2. Technical Requirements for Interconnection

18.2.1. Interconnection to the ILEC Tandem Switch(es) will provide Sprint local interconnection for local service purposes to the end offices and NXXs which subtend that tandem(s), where local trunking is provided, and access to the toll network.

18.2.2. Interconnection with ILEC's end office switch will provide Sprint with local interconnection for Local Traffic to the ILEC NXX codes served by that ILEC's End Office and any ILEC NXXs served by remotes that subtend the End Office.

18.2.3. Regardless of the type of interconnection with ILEC's network, ILEC shall permit its End Users within a given Rate Center to dial the same

number of digits to call a Sprint NPA-NXX in any Rate Center that would be required of the same End User to call a landline end-user in the same Rate Center as the Sprint NPA-NXX. Sprint shall permit its End Users within a given Rate Center to dial the same number of digits to call an ILEC NPA-NXX in any Rate Center that would be required of the same End User to call a Sprint End User in the same Rate Center as the ILEC NPA-NXX. Nothing in this Agreement shall be construed to alter or otherwise affect in any manner the local calling areas offered or the rates charged by either Party to its End Users.

- 18.2.4. The Parties agree to work cooperatively to establish trunk requirements for the exchange or delivery of traffic between the Parties.
- 18.2.5. In order to track and monitor the traffic that is being exchanged the Parties agree to utilize SS7 Common Channel Signaling ("CCS") between their respective networks for the traffic addressed in this Agreement. Both Parties will provide CCS connectivity in accordance with accepted industry practice and standard technical specifications. For all traffic exchanged, the Parties agree to cooperate with one another on the exchange of all appropriate unaltered CCS messages for call set-up, including without limitation ISDN User Part ("ISUP") and Transaction Capability User Part ("TCAP") messages to facilitate interoperability of CCS-based features and functions between their respective networks, including CLASS features and functions. All CCS signaling parameters, including, but not limited to, the Jurisdictional Indicator Parameter ("JIP") and the originating end user telephone number, will be provided by each Party in conjunction with all traffic it exchanges to the extent required by industry standards.

18.3. Interconnection Facility

- 18.3.1. If not utilizing an indirect interconnection as provided for in 18.4, Sprint may provide one-hundred percent (100%) of two-way Interconnection Facility via lease of meet-point circuits between ILEC and a third party, lease of ILEC facilities, lease of third-party facilities, or construction of its own facilities
- 18.3.2. An Interconnection Facility may be a one-way facility or a two-way facility as agreed to by the Parties.
- 18.3.3. Interconnection Facilities that are leased from ILEC used to exchange only Local Traffic must be provided to Sprint at ILEC's TELRIC-based rates.

- 18.3.4. When two-way Interconnection Facilities are utilized, neither Party shall be financially responsible for that portion of the Interconnection Facility used to transmit the other Party's originating traffic.
- 18.3.4.1. If Sprint leases the two-way Interconnection Facility from ILEC, ILEC shall credit the cost of such facility for that percentage of the facility that carries ILEC-originated Local Traffic.
- 18.3.4.2. If Sprint leases the Interconnection Facility from ILEC and ILEC does not provide a credit according to Section 18.3.5.1 above, or if Sprint self-constructs or leases the Interconnection Facility from a third party, Sprint may charge ILEC for ILEC's proportionate share of the recurring charges and non-recurring charges for the Interconnection Facilities based upon that percentage of the facility that carries ILEC-originated Local Traffic.
- 18.3.4.2.1. A state-wide shared facilities factor may be agreed to by the Parties that represents each Party's proportionate use of all direct two-way Interconnection Facilities between the Parties. The shared facilities factor may be updated by the Parties annually based on current traffic study data, if requested in writing.
- 18.3.5. Interconnection Facilities used to exchange Local Traffic which are fully leased from ILEC for interconnection purposes must be provided to Sprint at TELRIC-based rates.
- 18.3.6. Compensation for this facility is separate and distinct from any transport and termination charges or an otherwise agreed upon Bill and Keep arrangement.
- 18.3.6.1. To the extent that one Party provides a two-way Interconnection Facility, regardless of who the underlying carrier is, it may charge the other Party for its proportionate share of the recurring charges for Interconnection Facilities based on the other Party's percentage of the total originated Local Traffic.

18.4. Indirect Traffic Interconnection

- 18.4.1. Until such time that traffic volumes warrant a direct interconnection, the Parties agree to exchange traffic indirectly through a third party providing local transit services ("Transiting Party").
- 18.4.2. Once the Indirect Traffic arrangement between Sprint and ILEC's end office is no longer the economically preferred method of interconnection, Sprint will establish a direct interconnection with ILEC as set forth in this Agreement.
- 18.4.3. ILEC may not deliver its originated traffic to Sprint via an IXC if Sprint has NXX codes rated with the ILEC's local calling area, including mandatory EAS.
- 18.4.4. Each Party acknowledges that it is the originating Party's responsibility to enter into transiting arrangements with the Transiting Party providing the transit services.
- 18.4.5. Each Party is responsible for the transport of originating calls from its network to the Transiting Party. The originating Party is responsible for the payment of transit charges assessed by the Transiting Party.
- 18.4.6. This Agreement shall be subject to re-negotiation on the request of either Party if a non-party LEC, whose transit facilities are used in connection with the Local Telecommunication Traffic provided under this agreement changes the applicable rates, terms or conditions for those transit facilities.

19. Intercarrier Compensation

19.1. Compensation for Local Traffic Transport and Termination

- 19.1.1. From the initiation of this Agreement, the Parties agree to compensate each other for the exchange of Local Traffic through a Bill and Keep arrangement rather than the rates set forth on Schedule 1. Bill and Keep will not change the Parties obligations with regard to the exchange of billing information.
- 19.1.2. If the Local Traffic exchanged between the Parties reaches a level where the traffic split is outside the range of 60/40 in either direction for three or more consecutive months, the parties will have the right to charge for traffic each terminates under this Agreement. If the rates are not at bill and keep as provided for in 19.1.1, the rates to be charged for the exchange of Local Traffic are set forth in Schedule 1 of this Agreement and shall be applied consistent with the provisions of Section 18 of this Agreement. Each party will pay the traffic

termination rate and transport rate set forth in Schedule 1 for traffic exchanged by means of an indirect interconnection as described in Sec. 18.4 or traffic exchanged through a direct interconnection where the POI is established at a mutually agreed upon point, other than the ILEC end office, as allowed for in Sec. 18.1.1. Each party will pay the traffic termination rate set forth in Schedule 1 for traffic exchanged by means of a direct interconnection where the POI is established at the ILEC end office.

- 19.1.3. If the Parties are compensating each other under the provisions of 19.1.2 and the traffic split is within the range of 60/40 in either direction for a period of three consecutive months, the parties will reinstate compensation under the provisions of 19.1.1.

19.2. Compensation for Non-Local Traffic

Compensation for the termination of toll traffic and the origination of 800 traffic between the Parties shall be based on applicable tariff access charges in accordance with FCC and Commission Rules and Regulations and consistent with the provisions of this Agreement.

19.3. Percent Local Usage

- 19.3.1. Each Party will identify a statewide Percent Local Usage (PLU) factor to identify its "Local Traffic," as defined herein, for reciprocal compensation purposes. ILEC may request Sprint's traffic study documentation of the PLU at any time to verify the factor, and may compare the documentation to studies developed by ILEC. Should the documentation indicate that the factor should be changed by ILEC; the Parties agree that any changes will be prospective. For non-local traffic, the Parties agree to exchange traffic and compensate one another based on the rates and elements included in each party's access tariffs. Each Party will transmit calling party number (CPN) as required by FCC rules (47 C.F.R. 64.1601).
- 19.3.2. If the originating Party also chooses to combine Interstate and Intrastate Toll Traffic on the same group, that Party will also supply an auditable "Percent Interstate Use" ("PIU") factor.
- 19.3.3. To the extent technically feasible, each Party will transmit calling party number (CPN) for each call being terminated on the other's network. If the percentage of calls transmitted with CPN is greater than 90%, all calls exchanged without CPN will be billed as local or intrastate in proportion to the minutes of use of calls exchanged with CPN. If the percentage of calls transmitted with CPN is less than

90%, all calls transmitted without CPN will be billed as intraLATA toll traffic.

20. Office Code Translations

- 20.1. It shall be the responsibility of each Party to program and update its own switches and network systems in accordance with the Local Exchange Routing Guide ("LERG") in order to recognize and route traffic to the other Party's assigned NXX codes at all times.
- 20.2. In such cases, when more than one carrier is involved in completing the call, the N-1 carrier has the responsibility to determine if a query is required, to launch the query, and to route the call to the appropriate switch or network in which the telephone number resides.
- 20.3. If a Party does not fulfill its N-1 carrier responsibility, the other Party shall perform queries on calls to telephone numbers with portable NXXs received from the N-1 carrier and route the call to the appropriate switch or network in which the telephone number resides. An N-1 carrier shall be responsible for payment of charges to the other Party for any queries, routing, and transport functions made on its behalf, including any reciprocal compensation assessed by the terminating carrier or transit charges assessed by a tandem provider.

21. Local Number Portability (LNP)

- 21.1. Local Number Portability ("LNP") provides an End User of local exchange telecommunications service the ability to retain its existing telephone number when changing from one local exchange telecommunications carrier to another. The Parties recognize that some of the traffic to be exchanged under this Agreement may be destined for telephone numbers that have been ported.
- 21.2. The Parties shall provide LNP query, routing, and transport services in accordance with rules and regulations as prescribed by the FCC and the guidelines set forth by the North American Numbering Council ("NANC"). The applicable charges for LNP query, routing, and transport services shall be billed in accordance with each Party's applicable tariff.
- 21.3. The Parties will mutually provide LNP services from properly equipped central offices. LNP applies only when a customer with an active account wishes to change local carriers while retaining the telephone number or numbers associated with the account.
- 21.4. Both Parties will perform testing as specified in industry guidelines and cooperate in conducting any additional testing to ensure interoperability

between networks and systems. Each Party shall inform the other Party of any system updates that may affect the other Party's network and each Party shall, at the other Party's request, perform tests to validate the operation of the network.

22. Coordination of Transfer of Service

- 22.1. To serve the public interest of customers, the Parties agree that, when a customer transfers service from one Party to the other Party, it is necessary for the Parties to coordinate the timing for disconnection from one Party and connection with the other Party so that transferring customers are not without service for any extended period of time. Other coordinated activities associated with transfer of service will be coordinated between the Parties to ensure quality services to the public.
- 22.2. The Parties agree to establish mutually acceptable, reasonable, and efficient transfer of service procedures that utilize the industry standard LSR format for the exchange of necessary information for coordination of service transfers between the Parties.
- 22.3. Each Party is responsible for following FCC rules for obtaining customer authorization from each End User initiating transfer of service from one Party to the other Party.
- 22.4. Each Party will accept transfer of service requests from the other Party for one customer that includes multiple requests for transfers where the customer will retain one or more telephone numbers.

23. Directory Listings and Distribution Services

- 23.1. Sprint agrees to provide to ILEC or its publisher, as specified by ILEC, all subscriber list information (including additions, changes and deletions) for its subscribers and those of any wholesale customers of Sprint services, located within ILEC's operating areas. It is the responsibility of Sprint to submit directory listings in the prescribed manner to ILEC prior to the directory listing publication cut-off date, which will be provided by ILEC to Sprint.
- 23.2. ILEC will include Sprint's Customers primary listings (residence and business, but excluding CMRS customers) in its White Pages Directory, and if applicable in its Yellow Pages Directory under the appropriate heading classification as determined by publisher as well as in any electronic directories in which ILEC's own Customers are ordinarily included. Listings of Sprint's Customers will be interfiled with listings of ILEC's Customers and the Customers of other LECs, in the local section of ILEC's directories.

- 23.3. Sprint will identify any Customers that are "non-published" Customers.
- 23.4. Sprint's Customers primary listing information in the telephone directories will be provided at no charge. Sprint will pay ILEC's tariffed charges for additional and foreign telephone directory listings.
- 23.5. ILEC will distribute its telephone directories to Sprint's Customers in the same manner it provides those functions for its own Customers.

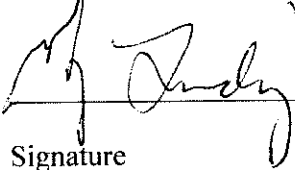
24. Master Street Address Guide (MSAG)

- 24.1. To the extent ILEC maintains a MSAG, ILEC shall provide Sprint with a file containing the MSAG for Sprint's respective exchanges or communities. The MSAG will be provided on a routine basis but only for those areas where SPRINT is authorized to do business as a local exchange service provider and ILEC is the 911 service provider.
- 24.2. Sprint or its agent shall provide initial and ongoing updates of Sprint's customers 911 Records that are MSAG-valid in electronic format based upon established NENA standards

IN WITNESS WHEREOF, the Parties agree that the effective date of this Agreement is the date first written above, and each Party warrants that it has caused this Agreement to be signed and delivered by its duly authorized representative.

By: Sprint Communications Company L.P.

By: Palmerton Telephone Corp.



 Signature



 Signature

Gary Lindsey

 Typed or Printed Name

Fred A. Reinhard

 Typed or Printed Name

Director - Access Solutions

 Title

President

 Title

5/22/07

 Date

5/18/07

 Date

SCHEDULE 1

PRICING SCHEDULE

SERVICE

CHARGE

RECIPROCAL COMPENSATION

Bill and Keep**

** (If determined to be out of balance as defined in Section 19.1, the Parties will negotiate a reciprocal compensation rate)

TRAFFIC TERMINATION (per minute of use)

TBD

TRANSPORT (per minute of use)

TBD

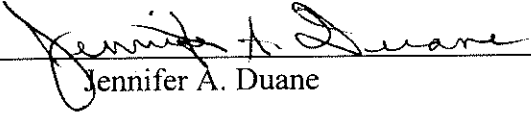
CERTIFICATE OF SERVICE

I hereby certify that I have on this 13th day of June 2007 served a true and correct copy of the foregoing Joint Petition and Interconnection Agreement between Palmerton Telephone Company and Sprint Communications Company L.P. upon the participants listed below by First Class U.S. Mail, postage prepaid, in accordance with the requirements of 52 Pa. Code § 1.54.

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg PA 17101-1921

Office of Small Business Advocate
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Jennifer A. Duane

Counsel for
Sprint Communications Company L.P.