

JOINT USE OF WOOD POLES

AGREEMENT FORMS FOR USE WITH ORGANIZATIONS FINANCED

BY THE RURAL ELECTRIFICATION ADMINISTRATION

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1. GENERAL

1.01 The material contained in this section is a revision of information formerly contained in Bell System Practices, Section AF4.15 which this section supersedes. The revision is major in character, therefore the arrows normally used to indicate changes have been omitted in this section.

1.02 This section discusses agreement forms for the joint use of poles with Cooperatives financed by the Rural Electrification Administration. The various types of general agreements covering the joint use of wood poles now commonly in force between Bell Telephone Companies and Electric Supply Companies are discussed in another section of the AG17 Division of the Bell System Practices. The agreements between Bell Telephone Companies and Electric Supply Companies are usually based on joint use conditions in the urban and suburban areas whereas the agreements with Rural Electrification Administration Cooperatives are based primarily on rural considerations.

1.03 A large proportion of the pole lines of REA Cooperatives consist of long span construction in rural areas. These lines generally support conductors carrying voltages exceeding 5000 volts between conductors. In order to take advantage of the savings to both parties, the REA and the Bell System developed mutually acceptable specifications for long span joint use construction to permit joint use with lines of the Cooperatives. To facilitate the establishment of such joint use, as good engineering judgment indicates to be proper, forms of agreement have been developed jointly with the Rural Electrification Administration which include the major provisions considered necessary and desirable in agreements of this kind. The forms may be used directly or as

guides in the preparation of agreements between specific Cooperatives and Telephone Companies.

1.04 Two types of agreement forms have been developed to meet the requirements of joint use of varying extents in both urban and rural areas which are served by REA Cooperatives. One is a General Agreement Form which is designed to provide for joint use on an area coverage basis. The other is an individual attachment Application - Permit type of form which is intended for use where the number of poles likely to be jointly used is insufficient to warrant the negotiation of a general agreement. Copies of both of these forms are attached and items of specific interest in regard to each are covered in the following paragraphs.

1.05 Under the terms of the General Agreement, joint use for each group of facilities or specific area in the common operating territory covered by the Agreement requires the execution of an amendment to the Agreement. This amendment, which does not require the approval of the Administrator, forms an Appendix C to the General Agreement.

1.06 The Rural Electrification Administration has assigned Form Nos. 263 and 263a to the General Agreement Form and the Appendix C Form, respectively, and has assigned Form No. 264 to the Application - Permit Form. These forms are available to the Telephone Companies through the Western Electric Company as E forms as shown below.

Form No.	Title
E-3646	General Agreement for Joint Use of Wood Poles
E-3646-A	Appendix C to General Agreement for Joint Use of Wood Poles
E-3647	Form of Application - Permit for Joint Use of Wood Poles

Agreements and Appendix C requests prepared using the above E forms, copies of which are attached, are acceptable to the Rural Electrification Administration and its borrowers.

1.0 Deviations from the attached forms may be desirable in some instances. However, in the interest of expediting approval by the Administrator, these deviations should, so far as practicable, be limited to items necessary to adapt the form to special requirements in specific situations. Every effort should be made to employ the standard forms without any basic change. Should these forms be reproduced in typed or other form with any changes in wording or paging neither the REA nor the Telephone Company form number should be used.

2. FORM OF GENERAL AGREEMENT FOR JOINT USE OF WOOD POLES

General

2.01 This agreement form is designed to cover joint use between a Telephone Company and a Cooperative in an entire common operating territory or sections of such common operating territory. This agreement facilitates joint use arrangements where a number of poles will be jointly used in a specific geographical area.

2.02 The General Agreement Form was revised early in 1954 to incorporate previously required amendments into the text of the agreement itself. This revision also deleted the requirement of the Administrators' approval on Appendix C amendments whether associated with the revised or the older agreement form.

2.03 The agreement form is based on a divided ownership flat rental per pole plan and provides for a differential in rentals which recognizes the basic difference in the size of pole lines required to furnish rural power and telephone services. Although the agreement form is based primarily on rural considerations, it is intended for use in all areas served by Cooperatives. Some of the provisions of the General Agreement Forms are discussed in the following paragraphs.

Article I

2.04 Article I is designed to specify the territorial limitation of the Agreement. It describes the States in which the Telephone Company and the Cooperative have or intend to have a common service area. It is intended that the Agreement will apply to the entire territory served in common by the Cooperative and the Telephone Company. It should be noted that, although the Agreement covers the entire common operating territory, the procedure outlined in Article IV or V must be complied with before joint use is established.

Article II

2.05 Article II defines some of the commonly used terms in the Agreement in the interest of preventing misunderstanding as to their meanings. The height and class of pole which would be considered the normal joint pole will, of course, vary according to the locality and the exigencies of the situation; however, generally the normal joint pole will be a 35-foot class 6 pole. Assuming the height of the normal joint pole to be 35 feet, the Cooperative's normal space is usually considered to be the uppermost 4 feet of the pole. The Telephone Company is usually allotted 2 feet of space on the pole at such a distance below the Cooperative's space that the clearance and separation requirements of the specifications referred to in the Agreement are satisfied. This article makes provision for the use of poles shorter or of less strength than the normal where such poles will meet the requirements of the specifications and of both parties to the Agreement. For example, the use of 30-foot or even 25-foot poles might be justified in some instances on private property along the rear of residential lots where the ground clearance requirements are less stringent than they would be if the line were located along a street or highway.

Article III

2.06 The specifications listed under Article III include the Edison Electric Institute Publication M12. This publication is the "Joint Pole Practices" for supply and communication circuits. It is intended that the preliminary Part 5 of these practices issued for field trial be included under the general heading of M12. The publication including Part 5 has been issued as an attachment to another section in the AG17 Division of the Bell System Practices and can be obtained by the Associated Companies on requisition from the Western Electric Company. Cooperatives may obtain copies of the publication from the Edison Electric Institute. The second paragraph of this article specifies that the total transverse and vertical loads for all conductors attached to a pole covered by the Agreement shall not, under the assumed storm loading of the National Electrical Safety Code for the area in which the pole is located, exceed 50 per cent of the ultimate (nominal) fiber stress of the supporting pole. Prior to the revision of the Agreement in 1954, this requirement was covered by an amendment to the Agreement.

Article IV

2.07 Paragraph (a) of this article was formerly covered by an amendment to the Agreement and requires that the Telephone Company request permission in writing for joint use of poles owned by the Cooperative. The form of the request and the procedure is specified in Appendix C attached to the Agreement. This article covers the procedure for establishing joint use on existing poles and outlines the responsibilities of the owner and the applicant in connection with the establishment of such joint use.

Article V

2.08 Paragraph (a) of Article V covering the establishment of joint use of new poles requires that whenever either party is considering the construction of new pole facilities, including new poles to replace existing ones, which it considers susceptible to future joint use, it should advise the other party of its plans. This provision is, of course, designed to take advantage of the economy of constructing lines suitable for joint use initially, thereby minimizing the possibility of subsequent reconstruction costs. The party receiving the notice is obligated to reply in writing within a reasonable period stating whether it does or does not desire joint use and, if so, to provide details of the space desired and the character of the circuits it proposes to attach. When the Telephone Company desires space on the Cooperative's new pole facilities, its request shall be in the form of Appendix C attached to the Agreement.

2.09 Paragraph (b) of this article provides the basic consideration involved in arriving at the ownership ratio objective. This objective, which is not mandatory, is a ratio of ownership of poles such that, under the rentals agreed upon, as discussed later, there will be no net rentals to either party. In other words, the ownership ratio objective is the same as the ratio of the nonreciprocal rents.

2.10 Paragraph (c) of this article specifies that the owner of new joint poles shall provide initial clearing of the right of way and tree trimming which shall at least meet the requirements of the other party. It is recognized that this arrangement may not be the best in areas with unusual tree conditions. Any apparent inequity in such an arrangement should be compensated for in arriving at the mutually

agreed upon cost of a mile of 35-foot class 6 poles in place used for the selection of appropriate rentals, as described later.

Article VI

2.11 This article specifies that although each party is responsible for obtaining its own right-of-way privileges, the two parties shall cooperate as far as may be practicable in obtaining rights of way for both parties on joint poles.

Article VII

2.12 This article specifies the procedures in connection with the maintenance of poles and attachments. It obligates the owner to maintain the poles in a safe and serviceable condition in accordance with the specifications referred to in Article III. It covers the replacement of poles such that the rearrangement of the attachments of both parties is minimized. It provides that the owner shall furnish advance notice in writing to the licensee of proposed pole replacement or relocation and that the licensee shall remove or transfer its attachments at the time specified so as not to delay the work of the owner.

2.13 Paragraph (d) of this article provides that each party shall maintain its own attachments. While specifying that each party shall perform the tree trimming required for its own facilities, it recognizes the possibility of the parties jointly contracting for or otherwise providing for maintenance trimming.

2.14 Paragraph (f) was inserted to show that this article deals with methods of maintenance rather than costs.

Article VIII

2.15 The provisions of Article VIII covering the division of costs are in accord with most agreements of this type. Paragraph (a)4, however, establishes a ratio of 55-45 per cent for the division of excess costs where such costs are incurred because of the requirements of both parties. This ratio is the approximate ratio of the average costs of separate pole lines.

2.16 Paragraph (a)5 provides that intermediate poles erected by the licensee to meet the licensee's requirements shall be paid for by the licensee and the title transferred to the owner of the remainder of the poles in the line.

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Then after, rentals are paid on these poles by the licensee in the same manner as on the other poles. Although this may appear to be an inequitable arrangement as it imposes a burden upon the licensee, the provision was made to simplify the administration of the Agreement and the apparent inequity is overcome by making appropriate allowance for such costs in the over-all rental rates described under Appendix B.

2.17 Paragraph (c) provides a formula applicable to those instances where the licensee requests the owner to replace a pole which is adequate for the owner's use and would not have otherwise required replacement. Under such conditions the owner should not be expected to bear the total costs and the formula is designed to equitably apportion such costs between the owner and the licensee.

2.18 Paragraph (g) under this article has been included to facilitate the correction of existing structural conditions which are considered undesirable by both parties. When, under this provision, existing poles of one of the parties are abandoned in favor of creating joint use, as, for example, in the case of a joint crossing pole, the net plant sacrifice incurred in the project is shared by the parties in the ratio of 55 per cent by the Cooperative and 45 per cent by the Telephone Company. It is expected that this provision will facilitate eliminating undesirable plant conditions, particularly those created at corners and points of crossings.

Liability

2.19 The Agreement contains no article covering liability. This provision was omitted from the Agreement at the specific request of the Rural Electrification Administration largely on the basis that it appeared reasonable that the parties could normally agree as to the appropriate sharing of any liabilities incurred through the joint use of pole plant and that in the event such agreement could not be reached, either party would have the customary recourse under the law.

Article IX

2.20 This article describes the general procedure to be followed when either party desires to change the character of its circuits. There are so many types of situations which might arise within the meaning of this article that it is impracticable to provide exact procedures to cover each situation which might occur. The article, therefore, can only

stipulate that the parties shall cooperate in an effort to determine the equitable apportionment of the expense incident to any changes required as a result of the change in character of either party's circuits.

2.21 In some instances the nature of the proposed circuit change may be such that joint use can not be continued. Since the licensee's rights are subordinate to those of the owner, the cost of re-establishing the circuits in a new location should, in most instances, be assumed by the licensee. However, there may be cases where it would be unreasonable for the licensee to bear the entire costs of relocating its circuits. As an illustration suppose that the owner had allowed the licensee to install, at considerable cost, circuits on a given line, then shortly thereafter the owner decides to change the character of its circuits in such a manner that joint use could no longer be continued. In this instance, in addition to having to bear the costs of constructing a new line, the licensee might lose completely the investment it has made in undertaking joint use, such as the payments made to the owner pursuant to Article VIII. It would seem reasonable in such instances for the owner to assume an equitable portion of the expense. In view of the varying circumstances that may be encountered, it is, of course, impracticable to provide a formula for the division of such costs. This article can only make provision for the owner to bear an equitable portion of the costs and trust to the good will of the parties to effect a solution.

Article X

2.22 Paragraph (a) of Article X contains a provision which, in case the owner of a pole elects to abandon such pole, will permit the licensee, if it so desires, to purchase said pole. The licensee is obligated to pay the owner only for the value in place to it of a pole of the height and class which would satisfy the licensee's requirements alone assuming the same depreciation as that of the actual pole in place. However, in no case will the purchase price of the pole be less than the net salvage value of the pole to the owner. Thus the licensee is protected from the possible necessity in some instances of purchasing, at its value in place, a pole considerably larger than would be required to carry its attachments and the owner is protected to the extent that the purchase price can be no lower than the net salvage value of the pole.

Article XI

2.23 It would, of course, be desirable for the two parties to own the joint poles in the same ratio as the rental rates. However, since it is not usually practicable to maintain this ownership ratio in practice, Article XI specifies the procedure for determining the amount of annual rental due the party owning more than its proportionate share of the poles. Paragraph (c) contains a provision under which dual rentals are avoided in case both power line carrier facilities and ordinary line facilities are attached to the same pole. A corresponding clause is included in the power line carrier agreement form.

Article XII

2.24 Paragraph (a) of this article provides that rentals may be reviewed and adjusted at intervals of not less than five years. No specific dates are established for such reviews but they may not occur at intervals of less than five years.

2.25 Paragraph (b) of this article provides that such adjustment of rentals shall be in accord with the basic principle as set forth in Appendix B. When revisions are contemplated, it is intended that the costs involved in creating all of the joint use then in effect shall be weighed against costs incurred in establishing further joint use. Because of this provision, new cost levels will have a relatively small effect on the rental rates in areas where the majority of the joint use has been established at the old cost level.

Article XIII

2.26 It is to be supposed that neither party will ever default in its obligations under the Agreement, however, this contingency is covered by Article XIII. This article protects the party which has lived up to its obligations by allowing it to suspend and eventually terminate the Agreement in so far as granting additional joint use is concerned. One type of default is that occurring when one party fails to perform work which it is obligated to perform at its own expense in accordance with the terms of the Agreement. In such cases the other party may elect to perform the work itself and bill the defaulting party rather than invoke the full penalties allowed by this article, where such penalties might not be commensurate with the defaulting party's breach of its obligations. This privilege

should be exercised only as a last resort and in no case shall telephone workmen perform work in violation of the established safety practices of the Bell System.

Article XIV

2.27 At the time the Agreement is entered into, one of the parties may have previously obligated itself to permit the use of the joint poles by a third party and it may be necessary or desirable to extend or continue that permission after the date of the Agreement. Paragraph (a) of this article provides for this arrangement and specifies that the facilities of the third party shall be considered as those of the party having granted the privilege.

Article XV

2.28 This article makes provision for the assignment of rights under the Agreement. An absolute prohibition against the assignment of rights conferred by the Agreement might impose a hardship on the party desiring to make such an assignment so it might limit it in the disposition of its properties. Conversely, permitting the rights to be assigned by one party without the consent of the other party might result in an unsatisfactory situation for the latter party in that it might be forced to enter into an agreement with an organization with which it would not have considered joint use desirable under the terms of this agreement or possibly with which joint use would not have been considered desirable under any conditions. This article, therefore, provides that a party may assign the rights under the Agreement only upon the written consent of the other party.

Article XVI

2.29 This article is inserted to ensure that if one of the parties, in the interest of harmony and the circumstances of a particular situation, waives a condition in the Agreement, such waiver shall not be considered as a general waiver applicable to all similar situations in the future.

Article XVII

2.30 This article specifies that each party is responsible for the taxes levied on its property on jointly used poles and also that the licensee shall pay any tax, fee or charge levied on the owner's pole solely because of its use by the licensee.

Article XVIII

2.31 This article was inserted to ensure an orderly procedure in rendering and paying bills. The number of days inserted in the blanks will vary according to circumstances. In most cases, ten days will probably provide a suitable time interval.

Article XIX

2.32 This article is inserted to ensure that there will be no misunderstanding as to the proper place to serve notices.

Article XX

2.33 This article provides that the term of the Agreement shall be 25 years and as long thereafter as both parties desire. This type of agreement contemplates long range planning and investment and the term must, therefore, extend over an appreciable period.

Article XXI

2.34 This article provides that all previous joint use agreements will be automatically terminated upon the execution of this agreement. The article also makes provision for setting up any supplemental operating routines or working practices as appear to be mutually desirable to facilitate the administration of the general provisions of the Agreement.

Article XXII

2.35 This article requires the approval in writing of the Administrator of the Rural Electrification Administration of the Agreement proper and any subsequent amendment thereof during such period as the Cooperative remains under obligation to the Rural Electrification Administration. The REA procedure requires that the Cooperative transmit three signed copies of each agreement to the REA, one copy of which is retained by it. Two approved copies are returned, one copy for the Cooperative and one copy for the Telephone Company. Where the Agreements are signed by a person other than a general officer of the Telephone Company, approvals by the Administrator will be expedited if evidence of authority to sign is filed with the office of the Administrator of REA.

2.36 Appendix C is not considered to be an amendment under the meaning of Article XXII and does not require the approval of the Rural Electrification Administrator. This was a requirement for the execution of Appendix C prior to the revision of the Agreement in the early part of 1954.

Appendix A

2.37 Appendix A was devised to facilitate and simplify such billing (other than rental billing) as is necessary under the terms of the Agreement. In its preparation an effort was made to make the billing calculations as simple as practicable and still recognize age factors and differences in cost levels.

2.38 It is intended that locally applicable values be inserted in the tables.

2.39 Table 1 is intended to contain only those costs which are incurred each time a pole is replaced. Therefore, it does not include such nonrecurring items as right-of-way costs, initial clearing and similar factors. Also, although transfer costs are repetitive in nature, it is not intended that they should be included.

2.40 Item D-2 provides that for poles in place longer than ten years, it shall be assumed that the salvage value is equal to the cost of removal. While this assumption may not be exact, it is believed that the dollar error will not be significant. In this connection, it should be recognized that, after a pole has been in place for ten years, the time is approaching when the cost of removal would ordinarily be incurred in any event.

Appendix B

2.41 This appendix sets forth the basic principles which are used in arriving at the rentals indicated and which are to be used in making periodical adjustments of such rentals as provided for under Article XII. The first page of this appendix is self-explanatory. The following illustration of rental calculations will suffice to indicate the method of approach in arriving at the table of rental payments. The derivations of typical annual rentals per pole for new construction are shown below:

Derivations of Telephone Company Rentals on Cooperative Poles (New Construction)

Separate rural telephone pole line	\$350 per mile
Separate rural power pole line	\$450 per mile
Sum of separate pole line costs	\$800 per mile
Cooperative-owned pole line suitable for joint use	\$540 per mile
Added Telephone Company costs on joint line (Note 1)	\$100 per mile
Added Cooperative costs on joint line (Note 2)	\$ 10 per mile
Total	\$650 per mile
Total savings to both organizations \$800-\$650	\$150 per mile
Telephone Company's share of savings based on respective cost of separate lines: $\frac{\$350}{\$800}$ or 44% (Note 3)	\$ 66 per mile
Assumed annual charge (Note 4)	10%

Tel. Rent per mile	= Annual charge saved by Tel. Co. through not having to build a separate line	Less Telephone Company's share	of	Total savings in annual charges
Tel. Rent per mile	= 10% of (\$350-\$100)	Less 44%	of	10% of \$150
Tel. Rent per mile	= \$25.00	Less \$6.60	=	\$18.40

At 14 poles per mile  $\frac{\$18.40}{14}$  = approximately \$1.30 per pole

Note 1: This item includes such factors as:

- (1) Allowance for Telephone Company's share of costs for additional poles (if required) for Telephone Company's benefit.
- (2) Allowance for additional cost of stringing telephone wire under energized power circuits.
- (3) Additional protection features (99A and 104A or 108A protectors) on telephone circuits.
- (4) Allowance for engineering and survey costs.

Note 2: Includes only item (2) of Note 6.

Note 3: An average value of 45% was used in the agreement form.

Note 4: No specific annual charge is fixed in the Agreement. However, the use of 10% results in rentals approximately equivalent to those in the agreed upon table in Appendix B of the contract form.

Derivation of Cooperative Rentals on Telephone Company Poles (New Construction)

Separate rural telephone pole line	\$350 per mile
Separate rural power pole line	<u>\$450 per mile</u>
Sum of separate pole line costs	\$800 per mile
Telephone Company-owned pole line suitable for joint use	\$540 per mile
Added Telephone Company costs on joint line (Note 5)	\$ 20 per mile
Added Cooperative costs on joint line (Note 6)	<u>\$ 90 per mile</u>
Total	\$650 per mile
Total savings to both organizations \$800-\$650	\$150 per mile
Cooperative's share of savings based on respective cost of separate lines: $\frac{\$450}{\$800}$ or 56% (Note 7)	\$ 84 per mile
Assumed annual charge (Note 4)	10%

Cooperative Rent per mile	=	Annual charge saved by Cooperative through not having to build a separate line	Less	Cooperative's share	of	Total savings in annual charges
Cooperative Rent per mile	=	10% of (\$450-\$90)	Less	56%	of	10% of \$150
Cooperative Rent per mile	=	\$36.00	Less	\$8.40	=	\$27.60

At 14 poles per mile  $\frac{\$27.60}{14}$  = approximately \$2.00 per pole

Note 5: Includes only item (3) of Note 1.

Note 6: Includes such factors as:

- (1) Allowance for additional cost of placing facilities over telephone wires.
- (2) Attachments on additional poles.
- (3) Allowance for engineering and survey costs.

Note 7: An average value of 55% was used in the agreement form.

2.42 It is recognized that a considerable portion of joint use may be established on existing power pole lines. Table 3 of Appendix A suggests a means of adjusting the value of poles developed under current costs to prior costs levels. With rental rates based on present day costs it appears that the difference is generally more than ample to take care of that portion of the modification costs to be borne by the Cooperative as specified in Article VIII, Division of Costs. For example, where the separate power pole line cost used in the previous example is \$450 per mile, the application of the factor of 0.7 (from Table 3 of Appendix A) would provide about \$135 per mile for the Cooperative's share of any modification costs necessary. Coordinated fundamental planning should avoid the later conversion of most separate power pole lines built subsequent to the execution of a general agreement.

#### Appendix C

2.43 Appendix C provides the form to be used by the Telephone Company in requesting permission to use the Cooperative's poles in a specific area. The location of the poles on which joint use is requested is indicated on a map which is forwarded with the request. It is intended that the area indicated on the map be based on a specific extension-of-service project proposed by the Telephone Company. Since an Appendix C is required for each new Telephone Company project which proposes to extend service into a new area, in many cases there may be more than one Appendix C associated with the same general agreement. After the Telephone Company has completed its project canvass and engineering work, it is required to submit the detailed construction plans and drawings to the Cooperative together with a map showing the final territorial limits of the project. When the limits shown on this final map vary substantially from those shown on the map submitted with the application, the request should be resubmitted for approval with the reason for the change in the project limits.

2.44 General agreements executed prior to 1954 required the attachment of an amendment to Articles IV and V which made provision for joint use under the requirements of Appendix C. This amendment and the Appendix C form of request required the approval of the Rural Electrification Administrator. The Agreement was

revised early in 1954 to include the provisions of Appendix C and also to eliminate the requirement of the Administrator's approval of the request. At the same time the Rural Electrification Administration advised the Cooperatives that the Administrator's approval was no longer required on Appendix C requests associated with general agreements executed prior to 1954.

#### 3. FORM OF APPLICATION - PERMIT FOR JOINT USE OF SPECIFIC POLES

3.01 This form of Application - Permit covering the joint use of specific poles is intended for use where the number of poles likely to be jointly used with a particular Cooperative is insufficient to justify the execution of a general agreement. While no limit has been placed on the maximum number of poles which might be covered by a series of these short forms, it is recommended that consideration be given to entering into a general agreement if it appears probable that the extent of the joint use will approach an area coverage condition. In some special situations such as where time is a factor and negotiations between the Telephone Company and the Cooperative have progressed sufficiently to indicate the probable execution of a general agreement, the short form may be used as a temporary expedient pending the final arrangement. This form may also be used to establish and record nonrental clearance attachments.

3.02 The form provides that the licensee shall reimburse the owner of the poles for all costs incurred in making such poles suitable for joint use. Since the owner is put to no out-of-pocket expense there appears to be no justification for a difference in rental rates to the two parties; therefore, \$1.00 per pole has been specified as the appropriate rental except in the case of clearance attachments where no rentals apply.

3.03 The licensee's right of tenure may be terminated at any time upon 60 days' notice from the owner. This feature and the requirement that the licensee reimburse the owner for all costs as covered in Paragraph 3.02 makes it desirable that the use of the short form of agreement be limited to those instances where the number of poles to be jointly used will be insufficient to justify the execution of a general agreement.

Attached:  
Form E-3646  
Form E-3646-A  
Form E-3647

**GENERAL AGREEMENT**

**FOR**

**JOINT USE OF WOOD POLES**

**BETWEEN**

.....

**AND**

.....

**Date** .....

**Printed in U. S. A.**

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**GENERAL AGREEMENT FOR  
JOINT USE OF WOOD POLES**

**PREAMBLE**

....., a corpora-  
tion organized under the laws of the State of ....., (hereinafter called  
the "Cooperative"), and .....,  
....., a corporation organized under the laws of the State .....,  
(hereinafter called the "Telephone Company"), desiring to cooperate in the joint use of  
their respective poles, erected or to be erected within the areas in which both parties  
render service in the State(s) of ....., whenever and  
wherever such use shall, in the estimation of both parties, be compatible with their re-  
spective needs, do hereby, in consideration of the premises and the mutual covenants  
herein contained, covenant and agree for themselves and their respective successors and  
assigns as follows:

**ARTICLE I**

**SCOPE OF AGREEMENT**

- (a) This Agreement shall be in effect in the areas in which both of the parties ren-  
der service in the State(s) of ..... and shall cover all wood  
poles of the parties now existing or hereafter erected in the above territory when said poles  
are brought under this Agreement in accordance with the procedure hereinafter provided.
- (b) Each party reserves the right to exclude any of its facilities from joint use.
- (c) It is the intention of the parties that adequate telephone service shall be made  
available to the widest practicable number of rural users in the above territory.

**ARTICLE II**

**EXPLANATION OF TERMS**

For the purpose of this Agreement, the following terms shall have the following  
meanings:

- 1. A JOINT POLE is a pole jointly used by both parties.
- 2. A NORMAL JOINT POLE is a pole which is just tall enough to provide normal  
spaces, as normal space is hereinafter defined, for the parties and just strong enough to  
meet the requirements of the specifications mentioned in Article III for the attachments  
ordinarily placed by the parties in their respective normal spaces. Such pole for the pur-  
pose of this Agreement shall be a ..... foot class ..... wood pole as  
classified by the pole classification tables of the American Standards Association.
- 3. SPACE is the linear portion of a joint pole parallel to its axis reserved for the  
exclusive use of one of the parties (subject only to the exceptions provided for by the  
specifications mentioned in Article III which in certain instances permit the making of  
certain attachments by one party in the space reserved for the other party).
- 4. NORMAL SPACE is the following described space:
  - a. For the Cooperative the uppermost ..... feet, measured from top  
of pole.
  - b. For the Telephone Company a space of ..... feet, at a sufficient dis-  
tance below the space of the Cooperative to provide at all times the minimum clearance  
required by the specifications mentioned in Article III and at a sufficient height above  
ground to provide the proper vertical clearance above ground or track rails for the low-  
est horizontally run line wires or cables attached in such space.

The foregoing definition of "a normal joint pole" is not intended to preclude the  
use of joint poles shorter or of less strength than the normal joint pole in locations where  
such poles will meet the requirements of the parties hereto.

## GENERAL AGREEMENT FOR JOINT USE OF WOOD POLES

### PREAMBLE

....., a corporation organized under the laws of the State of ....., (hereinafter called the "Cooperative"), and ....., a corporation organized under the laws of the State ..... (hereinafter called the "Telephone Company"), desiring to cooperate in the joint use of their respective poles, erected or to be erected within the areas in which both parties render service in the State(s) of ....., whenever and wherever such use shall, in the estimation of both parties, be compatible with their respective needs, do hereby, in consideration of the premises and the mutual covenant herein contained, covenant and agree for themselves and their respective successors and assigns as follows:

### ARTICLE I

#### SCOPE OF AGREEMENT

- (a) This Agreement shall be in effect in the areas in which both of the parties render service in the State (s) of ....., and shall cover all wood poles of the parties now existing or hereafter erected in the above territory when said poles are brought under this Agreement in accordance with the procedure hereinafter provided.
- (b) Each party reserves the right to exclude any of its facilities from joint use.
- (c) It is the intention of the parties that adequate telephone service shall be made available to the widest practicable number of rural users in the above territory.

### ARTICLE II

#### EXPLANATION OF TERMS

For the purpose of this Agreement, the following terms shall have the following meanings:

1. A JOINT POLE is a pole jointly used by both parties.
2. A NORMAL JOINT POLE is a pole which is just tall enough to provide normal spaces, as normal space is hereinafter defined, for the parties and just strong enough to meet the requirements of the specifications mentioned in Article III for the attachments ordinarily placed by the parties in their respective normal spaces. Such pole for the purpose of this Agreement shall be a ..... foot class ..... wood pole as classified by the pole classification tables of the American Standards Association.
3. SPACE is the linear portion of a joint pole parallel to its axis reserved for the exclusive use of one of the parties (subject only to the exceptions provided for by the specifications mentioned in Article III which in certain instances permit the making of certain attachments by one party in the space reserved for the other party).
4. NORMAL SPACE is the following described space:
  - a. For the Cooperative the uppermost ..... feet, measured from top of pole.
  - b. For the Telephone Company a space of ..... feet, at a sufficient distance below the space of the Cooperative to provide at all times the minimum clearance required by the specifications mentioned in Article III and at a sufficient height above ground to provide the proper vertical clearance above ground or track rails for the lowest horizontally run line wires or cables attached in such space.

The foregoing definition of "a normal joint pole" is not intended to preclude the use of joint poles shorter or of less strength than the normal joint pole in locations where such poles will meet the requirements of the parties hereto.

The above assignment of space is not intended to preclude the use of vertical runs or the mounting of such ~~equipment~~ as terminals or meters on the lower portions of the pole when mutually agreeable.

### ARTICLE III SPECIFICATIONS

Except as otherwise provided in Section (e) of Article VII, referring to construction temporarily exempt from the application of the specifications mentioned herein, the joint use of the poles covered by this Agreement shall at all times be in conformity with accepted modern methods such as those suggested in Edison Electric Institute Publication No. M12 and shall at all times conform to the requirements of the National Electrical Safety Code, Fifth Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.

In establishing joint use of wood poles whether installed new for joint use or installed initially for electric circuits alone, the total transverse and vertical loads for all conductors attached to a pole covered by this agreement shall not, under the assumed storm loadings of the National Electrical Safety Code for the area in which the pole is located, exceed fifty (50) percent of the ultimate fiber stress of the supporting pole. In the case of existing pole lines, the strength of the pole shall be assumed to be the same as when new.

Modifications of, additions to, or construction practices supplementing wholly or in part the requirements of the National Electrical Safety Code, shall, when accepted in writing by both parties hereto through their agents authorized to approve such changes, likewise govern the joint use of poles.

### ARTICLE IV ESTABLISHING JOINT USE OF EXISTING POLES

(a) Before the Telephone Company shall make use of the poles of the Cooperative under this Agreement, it shall request permission therefor in writing on the form attached hereto and identified as Appendix C, and shall comply with the procedure set forth in said Appendix C.

(b) Whenever either party desires to reserve space for its attachments on any pole owned by the other party, either as initial space or additional space on such pole, it shall make written application therefor, specifying the location of the poles in question, the amount of space desired on each pole, and the number and character of the circuits to be placed thereon. If, in the judgment of the owner, the poles are necessary for its own sole use, or joint use under the circumstances is undesirable, the owner, shall have the right to reject the application. In any event, within a reasonable period after the receipt of such application the owner shall notify the applicant in writing whether the application is approved or rejected. Upon receipt of notice from the owner that the application has been approved, and after the completion of any transferring or rearranging which is required to permit the attaching of the applicant's circuits on such poles, including any necessary pole replacements, the applicant shall have the right as licensee hereunder to use such space in accordance with the terms of the application and of this Agreement.

(c) Whenever any jointly used pole or any pole about to be so used under the provisions of this Agreement is insufficient in height or strength for the existing attachments and for the proposed additional attachments thereon, the owner shall promptly replace such pole with a new pole of the necessary height and strength and shall make such other changes in the existing pole line in which such pole is included as the conditions may then require.

(d) Each party shall place, transfer and rearrange its own attachments, place guys to sustain any unbalanced loads caused by its attachments, and perform any tree trimming or cutting incidental thereto. Each party shall at all times execute such work promptly and in such manner as not to interfere with the service of the other party.

(e) The cost of establishing the joint use of existing poles, including the making of any necessary pole replacements, shall be borne by the parties hereto in the manner provided in Article VIII—Division of Costs.

### ARTICLE V ESTABLISHING JOINT USE OF NEW POLES

(a) Whenever either party hereto requires new pole facilities for an additional pole line, an extension of an existing pole line, or in connection with the reconstruction of an existing pole line, it shall promptly notify the other party to that effect in writing

(verbal notice subsequently confirmed in writing may be given in cases of emergency), stating the proposed location and character of the new poles and the character of circuits it intends to use thereon and indicating whether or not such pole facilities will be, in the estimation of the party proposing to construct the new pole facilities, susceptible of joint use. Within a reasonable period after the receipt of such notice, the other party shall reply in writing, stating whether it does, or does not, desire space on the said poles and, if it does desire space thereon, the character of the circuits it desires to use and the amount of space it wishes to reserve. If such other party requests space on the proposed new poles and if the character and number of its circuits and attachments are such that the party proposing to construct the new pole facilities does not consider joint use undesirable, then it shall erect poles suitable for such joint use, subject, however, to the provisions of Section (b) of this Article, and subject further to the condition that requests by the Telephone Company for space on proposed new poles of the Cooperative under this Agreement shall be made in writing on the form attached hereto and identified as Appendix C, and shall comply with the procedure set forth in said Appendix C. The applicant for space on the poles shall be promptly notified in writing of the action taken on the application.

(b) In any case where the parties hereto shall conclude arrangements for the joint use of any new poles to be erected, and the party proposing to construct the new pole facilities already owns more than its proportionate share of joint poles, the parties shall take into consideration the desirability of having the new pole facilities owned by the party owning less than its proportionate share of joint poles so as to work towards such a division of ownership of the joint poles that neither party shall be obligated to pay to the other any rentals because of their respective use of joint poles owned by the other.

(c) Each party shall place its own attachments on the new joint poles and place guys to sustain any unbalanced loads caused by its attachments. The owner shall, however, provide the initial clearing of the right-of-way, and tree trimming, which shall at least meet the requirements of the other party. Each party shall execute its work promptly and in such manner as not to interfere with the service of the other party.

(d) The cost of establishing the joint use of new poles including costs incurred in the retirement of existing poles shall be borne by the parties hereto in the manner provided in Article VIII—Division of Costs.

## ARTICLE VI

### RIGHT OF WAY FOR LICENSEE'S ATTACHMENTS

While the owner and licensee will cooperate as far as may be practicable in obtaining rights-of-way for both parties on joint poles, the owner does not warrant or assure to the licensee any right-of-way privileges or easements on, over or across streets, alleys and public thoroughfares, and private or publicly owned property, and if the licensee shall at any time be prevented from placing or maintaining its attachments on the owner's poles, no liability on account thereof shall attach to the owner of the poles.

## ARTICLE VII

### MAINTENANCE OF POLES AND ATTACHMENTS

(a) The Owner shall maintain its joint poles in a safe and serviceable condition and in accordance with the specifications mentioned in Article III and shall replace, reinforce or repair such of these poles as become defective.

(b) When replacing a jointly used pole carrying terminals of aerial cable, underground connection, or transformer equipment, the new pole shall be set in the same hole which the replaced pole occupied unless special conditions make it necessary or mutually desirable to set it in a different location.

(c) Whenever it is necessary to replace or relocate a jointly used pole, the owner shall, before making such replacement or relocation, give notice thereof in writing (except in case of emergency, when verbal notice will be given and subsequently confirmed in writing) to the licensee, specifying in such notice the time of such proposed replacement or relocation and the licensee shall at the time so specified transfer its attachments to the new or relocated joint pole.

(d) Except as otherwise provided in Section (e) of this Article, each party shall at all times maintain all of its attachments, and perform any necessary tree trimming or cutting incidental thereto, in accordance with the specifications mentioned in Article III and shall keep them in safe condition and in thorough repair. Nothing in the foregoing shall preclude the parties hereto from making any mutually agreeable arrangement for jointly contracting for or otherwise providing for maintenance trimming.

(e) Any existing joint use construction of the parties hereto which does not conform to the specifications mentioned in Article III shall be brought into conformity therewith as soon as practicable.

When such existing construction shall have been brought into conformity with said specification, it shall at all times thereafter be maintained as provided in Sections (a) and (d) of this Article.

(f) The cost of maintaining poles and attachments and of bringing existing joint use construction into conformity with said specifications shall be borne by the parties hereto in the manner provided in Article VIII—Division of Costs.

## ARTICLE VIII

### DIVISION OF COSTS

(a) The cost of erecting new joint poles coming under this Agreement, to construct new pole lines, to make extensions to existing pole lines, or to replace existing poles, shall be borne by the parties as follows:

1. A normal joint pole, or joint pole smaller than normal, shall be erected at the sole expense of the owner.

2. A pole larger than the normal, the extra height or strength of which is due wholly to the owner's requirements, including requirements as to keeping the owner's wires clear of trees, shall be erected at the sole expense of the owner.

3. In the case of a pole larger than the normal, the extra height or strength of which is due wholly to the licensee's requirements, including requirements as to keeping the licensee's wires clear of trees, the licensee shall pay to the owner a sum equal to the difference between the cost in place of such pole and the cost in place of a normal joint pole, the rest of the cost of erecting such pole to be borne by the owner, except in so far as otherwise provided in Section (c) of this Article.

4. In the case of a pole larger than the normal, the extra height or strength which is due to the requirements of both parties or the requirements of public authorities or of property owners, (other than requirements with regard to keeping the wires of one party only clear of trees), the difference between the cost in place of such pole and the cost in place of a normal joint pole shall be shared in the ratio of fifty-five percent by the Cooperative and forty-five percent by the Telephone Company, the rest of the cost of erecting such pole to be borne by the owner.

5. A pole erected between existing poles to provide sufficient clearance and furnish adequate strength to support the circuits of both the owner and licensee, which it would have been unnecessary to erect if joint use had not been undertaken, shall be erected at the sole expense of the licensee.

(b) Any payments for poles made by the licensee under any foregoing provisions of this Article shall not entitle the licensee to the ownership of any part of said poles for which it has contributed in whole or in part.

(c) Where an existing jointly used pole or a non-joint pole is prematurely replaced by a new one solely for the benefit of the licensee, the cost of the new pole shall be divided as specified in Section (a) of this Article and the licensee shall also pay the owner the value in place of the replaced pole, plus the cost of removal less the salvage value of such pole. The replaced pole shall be removed and retained by its owner.

(d) Each party shall place, maintain, rearrange, transfer and remove its own attachments at its own expense except as otherwise expressly provided.

(e) The expense of maintaining joint poles shall be borne by the owner thereof except that the cost of replacing poles shall be borne by the parties hereto in the manner provided in Sections (a) and (c) of this Article.

(f) Where service drops of one party crossing over or under lines of the other party are attached to the other party's poles, either directly or by means of a pole top extension fixture, the cost shall be borne as follows:

(1) Pole top extension fixtures shall be provided and installed at the sole expense of the party using them.

(2) Where an existing pole is replaced with a taller one to provide the necessary clearance the party owning the service drop shall pay to the party owning the pole a sum equal to the difference in cost in place between the new pole and a new pole of the same size as the replaced pole, together with a sum representing the value in place of the replaced pole plus the cost of removal less the salvage value of such pole, the owner of the pole to remove and retain such pole.

(g) When, in order to improve an existing condition considered undesirable by both parties, existing poles of one of the parties are abandoned in favor of combining lines on poles of the other party, the then value in place of the abandoned poles plus the cost of removal less the salvage value of such poles shall be shared in the ratio of fifty-five percent by the Cooperative and forty-five percent by the Telephone Company.

(h) Payments made by either party to the other under the provisions of this Article shall be based on the table of values listed in Appendix A.

## ARTICLE IX

### PROCEDURE WHEN CHARACTER OF CIRCUITS IS CHANGED

When either party desires to change the character of its circuits on jointly used poles, such party shall give.....days notice to the other party of such contemplated change and in the event that the party agrees in writing to joint use with such changed circuits, then the joint use of such poles shall be continued with such changes in construction as may be required to meet the terms of the specifications mentioned in Article III for the character of circuits involved and such other changes as may be agreed upon. The parties shall cooperate to determine the equitable apportionment of the net expense of such changes. In the event, however, that the other party fails within ..... days from receipt of such notice to agree in writing to such change in character of circuits, then both parties shall cooperate in accordance with the following plan:

1. The parties hereto shall determine the most practical and economical method of effectively providing for separate lines, either overhead or underground, and the party whose circuits are to be moved shall promptly carry out the necessary work.

2. The net cost of re-establishing such circuits in the new location as are necessary to furnish the same business facilities that existed in the joint use section at the time such change was decided upon, shall be borne by the licensee; provided, however, that the owner shall bear an equitable share of such cost wherever the change was occasioned by the necessities of the owner and the licensee would suffer a hardship in having to assume the entire burden of the cost of re-establishing the circuits.

Unless otherwise agreed by the parties, ownership of any new line or underground facilities constructed under the foregoing provisions in a new location shall vest in the party for whose use it is constructed.

## ARTICLE X

### ABANDONMENT OF JOINTLY USED POLES

(a) If the owner desires at any time to abandon any jointly used pole, it shall give the licensee notice in writing to that effect at least ..... days prior to the date on which it intends to abandon such pole. If at the expiration of said period the owner shall have no attachments on such pole but the licensee shall not have removed all of the attachments therefrom, such pole shall thereupon become the property of the licensee, and the licensee shall save harmless the former owner of such pole from all obligation, liability, damages, cost, expenses or charges incurred thereafter, and not arising out of anything theretofore occurring, because of, or arising out of, the presence or condition of such pole or of any attachments thereon; and shall pay the owner the then value in place of the pole to the licensee but in no case an amount less than the net salvage value of the pole to the owner as provided in Appendix A attached hereto. The former owner shall further evidence transfer of title to the pole by means of a bill of sale. Credit shall be allowed for any payments which the licensee may have made under the provisions of Article VIII—Division of Costs, when the pole was originally set.

(b) The licensee may at any time abandon the use of a joint pole by giving due notice thereof in writing to the owner and by removing therefrom any and all attachments it may have thereon. The licensee shall in such case pay to the owner the full rental for said pole for the then current year.

## ARTICLE XI

### RENTALS

(a) On or about ..... of each year the parties acting in cooperation shall, subject to the provisions of Section (b) of this Article, tabulate the total number of joint poles in use as of the preceding day, and the number of poles on which either party as

licensee removed all of its attachments during the twelve preceding months, which tabulation shall indicate the number of poles which each party owns on which rentals are to be paid by the other party.

(b) For the purpose of such tabulation, any pole used by the licensee for the sole purpose of attaching wires or cables thereto, either directly or by means of a pole top extension fixture, in order to provide clearance between the facilities of the two parties as distinguished from providing support for such wires or cables, shall not be considered as a joint pole.

(c) If there is provision under a separate agreement between the Telephone Company and the Cooperative for facilities associated with power line carrier systems, the rental provisions of the Agreement of which this article forms a part shall apply for poles on which both types of facilities are present, and no other rentals shall apply. The rental provisions of this Agreement shall not apply, however, where only those facilities directly associated with the power line carrier systems are involved.

(d) The rentals per pole due from either party as licensee to the other party as owner shall be based on the equitable sharing of the economies of joint use as provided for in Appendix B. Subject to the provisions of Article XII, \$ ..... per annum shall be paid by the Cooperative for each jointly used pole owned by the Telephone Company and \$ ..... per annum shall be paid by the Telephone Company for each jointly used pole owned by the Cooperative. The smaller total sum shall be deducted from the larger and the Cooperative or the Telephone Company, as the case may be, shall pay to the other the difference between such amounts. The rental herein provided for shall be paid within 10 days after the bill has been submitted.

## ARTICLE XII

### PERIODICAL ADJUSTMENT OF RENTALS

(a) At any time after 5 years from the date of this Agreement and at intervals of not less than 5 years thereafter, the rentals applicable under this Agreement shall be subject to joint review and adjustment as provided for under Section (b) of this Article upon the written request of either party. In case of adjustment of rentals as herein provided, the new rentals agreed upon shall apply starting with the annual bill next rendered and continuing until again adjusted.

(b) All adjustments of rental shall be in accord with the provisions of Appendix B, and any changes shall take into account the cost factors originally involved in all joint use existing at that time under this Agreement.

## ARTICLE XIII

### DEFAULTS

(a) If either party shall default in any of its obligations under this Agreement and such default continues thirty (30) days after due notice thereof in writing by the other party, the party not in default may suspend the rights of the party in default in so far as concerns the granting of future joint use and if such default shall continue for a period of ..... days after such suspension, the party not in default may forthwith terminate this Agreement as far as concerns the future granting of joint use.

(b) If either party shall make default in the performance of any work it is obligated to do under this Agreement at its sole expense, the other party may elect to do such work, and the party in default shall reimburse the other party for the cost thereof.

Failure on the part of the defaulting party to make such payment within ..... days upon presentation of bills therefor shall, at the election of the other party, constitute a default under Section (a) of this Article.

## ARTICLE XIV

### EXISTING RIGHTS OF OTHER PARTIES

(a) If either of the parties hereto has, prior to the execution of this Agreement, conferred upon others, not parties to this Agreement, by contract or otherwise, rights or privileges to use any poles covered by this Agreement, nothing herein contained shall be construed as affecting such rights or privileges, and either party hereto shall have the right, by contract or otherwise, to continue and extend such existing rights or privileges, it

being expressly understood, however, that for the purpose of this Agreement, the attachments of any such outside party, except those of a municipality or other public authority, shall be treated as attachments belonging to the grantor, and the rights, obligations, and liabilities hereunder of the grantor in respect to such attachments shall be the same as if it were the actual owner thereof.

(b) Where municipal regulations require either party to allow the use of its poles for fire alarm, police, or other like signal systems, such use shall be permitted under the terms of this Article, provided attachments of such parties are placed and maintained in accordance with the specifications mentioned in Article III.

## ARTICLE XV

### ASSIGNMENT OF RIGHTS

Except as otherwise provided in this Agreement, neither party hereto shall assign or otherwise dispose of this Agreement or any of its rights or interests hereunder, or in any of the jointly used poles, or the attachments or rights of way covered by this Agreement, to any firm, corporation or individual, without the written consent of the other party, except to the United States of America or any agency thereof; provided, however, that nothing herein contained shall prevent or limit the right of either party to mortgage any or all of its property, rights, privileges, and franchises, or lease or transfer any of them to another corporation organized for the purpose of conducting a business of the same general character as that of such party, or to enter into any merger or consolidation; and, in case of the foreclosure of such mortgage; or in case of lease, transfer, merger, or consolidation, its rights and obligations hereunder shall pass to, and be acquired and assumed by, the purchaser on foreclosure, the transferee, lessee, assignee, merging or consolidating company, as the case may be; and provided further that subject to all of the terms and conditions of this Agreement, either party may permit any corporation conducting a business of the same general character as that of such party, and owned, operated, leased and controlled by it, or associated or affiliated with it, the use of all or any part of the space reserved hereunder on any pole covered by this Agreement for the attachments used by such party in the conduct of its said business; and for the purpose of this Agreement, all such attachments maintained on any such pole by the permission as aforesaid of either party hereto shall be considered as the attachments of the party granting such permission, and the rights, obligations and liabilities of such party under this Agreement, with respect to such attachments, shall be the same as if it were the actual owner thereof.

## ARTICLE XVI

### WAIVER OF TERMS OR CONDITIONS

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

## ARTICLE XVII

### PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property upon said jointly used poles, and the taxes and the assessments which are levied on said joint poles shall be paid by the owner thereof, but any tax, fee, or charge levied on owner's poles solely because of their use by the licensee shall be paid by the licensee.

## ARTICLE XVIII

### BILLS AND PAYMENT FOR WORK

Upon the completion of work performed hereunder by either party, the expense of which is to be borne wholly or in part by the other party, the party performing the work shall present to the other party within ..... days after the completion of such work an itemized statement of the costs and such other party shall within ..... days after such statement is presented pay to the party doing the work such other party's proportion of the cost of said work.

**ARTICLE XIX**  
**SERVICE OF NOTICES**

Whenever in this Agreement notice is provided to be given by either party hereto to the other, such notice shall be in writing and given by letter mailed, or by personal delivery, to the Cooperative at its office at .....,  
.....,  
or to the Telephone Company at its office at .....,  
....., as the case may be, or to such other address as either party may from time to time designate in writing for that purpose.

**ARTICLE XX**  
**TERM OF AGREEMENT**

Subject to the provisions of Article XIII, Defaults, herein, this Agreement shall remain in effect until terminated at the end of 25 years from the date hereof or thereafter upon the giving of written notice to the other party not less than three years prior to the date of termination.

**ARTICLE XXI**  
**EXISTING CONTRACTS**

All existing agreements between the parties hereto for the joint use of poles are by mutual consent hereby abrogated and superseded by this Agreement.  
Nothing in the foregoing shall preclude the parties to this Agreement from preparing such supplemental operating routines or working practices as they mutually agree to be necessary or desirable to effectively administer the provisions of this Agreement.

**ARTICLE XXII**  
**APPROVAL OF ADMINISTRATOR**

This Agreement, and any amendment thereof, shall be effective subject to the condition that, during any period in which the Cooperative is a borrower from the Rural Electrification Administration, the Agreement and any amendment thereof shall have the approval in writing of the Administrator of the Rural Electrification Administration.  
In witness whereof, the parties hereto, have caused these presents to be executed in triplicate, and their corporate seals to be affixed thereto by their respective officers thereunto duly authorized, on the ..... day of ....., 19.....

(Seal)

By .....

Attest:

(Seal)

By .....

Attest:

## APPENDIX A

This Appendix contains tables of pole values to be used in dividing costs as provided under Article VIII. It also outlines the steps for adjusting such values to determine any payments that the licensee must make to the owner to defray costs of premature replacement of poles to accommodate the licensee.

### A. Tabulation of New Pole Costs.

The following tabulation shall list mutually agreed upon average costs in place of new poles of all kinds of timber, including only such cost items as are repetitive when poles are replaced.

**Table 1**

Height	CLASS									
	1	2	3	4	5	6	7	8	9	10
20'										
22'										
25'										
30'										
35'										
40'										
45'										
50'										
55'										
60'										

### B. Age Factor for Modifying Values of Poles.

1. The following table of age factors shall be used in adjusting pole costs in Table 1 to arrive at current values in place of existing poles coming under the provisions of this Agreement.

**Table 2**

Age of Pole	0.3 Years	4-9 Years	10-15 Years	16-21 Years	22-27 Years	Over 27 Years
Factor	1.0	.8	.6	.4	.2	0

### C. Cost Level Factor.

1. The values obtained from B are to be modified further by the following factors to allow for periodic variation in pole cost levels.

**Table 3**

For poles set prior to Jan. 1, 1937		.5
For poles set between Jan. 1, 1937	and Jan. 1, 1945	.7
For poles set between Jan. 1, 1945	and	1.0
For poles set between	and	

2. It is intended that additional factors will be added to cover future long term changes in costs.

**D. Salvage Value of Poles.**

1. A figure of 70% of current material costs shall be used for computing salvage values of poles which have been installed not exceeding 10 years. Average values for all kinds of timber shall be used. The following table sets forth mutually agreed upon salvage values.

**Table 4**

Height	CLASS									
	1	2	3	4	5	6	7	8	9	10
20'										
22'										
25'										
30'										
35'										
40'										
45'										
50'										
55'										
60'										

2. For poles installed longer than 10 years it shall be assumed that the salvage value is equal to the cost of removal.\*

**E. Cost of Removal.**

1. The following table sets forth mutually agreed upon total costs of removing poles.

**Table 5**

Height	Cost of Removal**
25' or less	
30'	
35'	
40'	
45'	
50'	
55'	

**F. Anchors.**

1. The cost in place of all anchors regardless of size, type or number of thimbles shall be deemed to be ..... for use in applying the provisions of this Agreement.

\* Based on assumption that owner should bear an increasing portion of cost of removal as poles age.  
 \*\* Annual variations in costs of removal neglected.

## APPENDIX B

This Appendix describes the basic principles and guides which have been used under this Agreement in setting the rents specified in Article XI and which are to be used in making periodical adjustments of rentals as provided for in Article XII.

Under these principles the rentals are intended, in so far as it is practicable, to result in a sharing of the economies realized by the joint use of pole plant in proportion to the relative costs of separate pole line construction.

The procedures outlined herein take into account the following objectives:

1. An equitable division of savings regardless of the number of jointly used poles owned by each party.
2. Rental rates applicable universally in the area covered by the Agreement regardless of whether the pole lines involved are initially constructed with joint use in view or are existing lines modified for joint use.
3. Appropriate allowance in the rental rates for additional costs incurred by each party in supplying 'normal joint poles', as defined in the Agreement, and the costs of other items required in the joint use of poles which would not be incurred in separate line construction.
4. Rentals based on the costs of "typical miles" of separate lines, of newly constructed joint lines and of existing lines modified to make them suitable for joint use. The 'per mile' values of rentals are then reduced to 'per pole' values for purposes of simplifying tabulations and to provide for the joint use of scattered poles.

The rentals are the dollar values resulting from the licensee paying to the owner, as annual rental, an amount representing the annual charge on a separate line for the licensee less the sum of (a) the annual charges on the additional costs incurred by the licensee in establishing joint use and (b) the licensee's share of the total annual savings. This share is the ratio of the Licensee's typical separate line costs to the sum of the typical separate line costs of each of the parties.

The annual rent payable can also be stated as follows:

Licensee's annual rent	Equals	Annual charges saved by licensee through, not having to build a separate line	Less	Licensee's appropriate percentage	Of	Total savings in annual charges realized through joint use
---------------------------	--------	---	------	---	----	---

The cost in place of a line of poles is made up of a number of factors including such items as right-of-way solicitation, clearing, staking, direct labor and material costs of bare poles in place and pro rata shares of construction supervision and overhead. These costs, for a specific area, may differ considerably from corresponding costs in other parts of the country. These variations in pole line costs will, however, affect both power and telephone lines to about the same degree.

The parties to this contract will mutually agree on the average cost of a typical mile of 35 foot, class 6 poles in place in their common area. Below are tabulated appropriate rentals over a range of typical mile costs. From this tabulation the parties shall use the rental payments associated with the value nearest to the agreed upon average cost.

## RENTAL PAYMENTS

Where the mutually agreed upon average cost per mile of 35 foot class 6 poles in place approximates

\$350\*  
410  
470  
530  
590  
650  
710  
770\*\*

The Telephone Company's annual rental payment per pole to the Cooperative will be

\$1.00  
1.10  
1.20  
1.30  
1.40  
1.50  
1.60  
1.70

The Cooperative's annual rental payment per pole to the Telephone Company will be

\$1.70  
1.80  
1.90  
2.00  
2.10  
2.20  
2.30  
2.40

\* Rentals associated with this amount are minimum and applicable for all lower costs.

\*\* If average costs are substantially higher than this value, appropriate rentals should be determined by agreement.

APPENDIX C

.....  
 (Name of Telephone Company) (Location)  
 Request No. ....  
 (Date)  
 To .....  
 (Name of Cooperative) (Location)

This is to request your permission for this Company to use jointly certain of your poles under the terms and conditions of the General Agreement for Joint Use of Wood Poles which has been executed by your Cooperative and this Company.

The poles for which this permission is requested are located generally within the limits of the extension-of-service project in the territory indicated by the attached map, which also bears the above date and Request Number.

If permission to use these poles is given by you, this Company intends to canvass fully the territory generally within the project limits and if construction of the project by use of your poles for our attachments is begun, will furnish telephone service to all establishments therein desiring service, subject to its tariff rates and regulations. Our present plan is to start the work involved in this project about ..... and complete the work about .....  
(Month-Year) (Month-Year)

If permission to use these poles is given by you, this Company proposes to prepare and furnish to you detailed construction plans and drawings to indicate specifically your poles that we wish to use jointly, in accordance with the procedure provided in Article IV or V of the Agreement, as the case may be, together with a map showing the final project limits as determined after engineering is complete. If the final project limits vary substantially from the project limits shown on the map attached hereto, it is understood that this Company will request your further permission to use poles within the territory indicated on the final map.

If the joint use proposed is agreeable to your Cooperative please signify your approval on the second copy of this request in the space provided and return that copy to this Company.

.....  
 (Name and Title of Telephone Company  
 Employee making this request)  
 To .....  
 (Name of Telephone Company) (Location)

This is to advise you that your Request No. ...., to use jointly certain poles of this Cooperative to furnish telephone service to rural users, as stated therein, is agreeable to this Cooperative. You may proceed with such joint use of poles on the terms and conditions of the General Agreement for Joint Use of Wood Poles now in effect between us, and under the conditions outlined in your request.

.....  
 (Name of Cooperative) (Date)  
 .....  
 (Name and Title of Cooperative Representative)

**APPLICATION — PERMIT**  
**For Joint Use of Poles.**

To \_\_\_\_\_ No. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 hereinafter referred to as the  
 Licensor; the applicant hereunder  
 being hereinafter referred to as  
 the Licensee.

The following application is made for the use of your pole plant located as follows:

<u>No. of Poles</u>	<u>Pole Numbers</u>	<u>Type of Attachments</u>	<u>Annual Rental</u>
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Pole locations and work to be performed are shown on the above diagram.

Licensee's initial payment, if any, \$.....

The joint occupancy herein provided for and the work to be done hereunder shall be subject to the terms and conditions on the reverse side hereof, which shall constitute a specific agreement in connection herewith and shall supersede, except as to matters not covered herein, any provisions in other contracts, if any, heretofore entered into between the parties hereto or their predecessor companies.

Recommended by:..... Application made.....19....., By  
 Cooperative or Company  
 Approved by:..... By  
 Title

THE ABOVE APPLICATION IS ACCEPTED AND THE PERMIT REQUESTED IS HEREBY GRANTED  
 Cooperative or Company

Approved by:..... By  
 Title