

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In the matter of)

MFS COMMUNICATIONS COMPANY, INC.)

Petition for Arbitration Pursuant to 47 U.S.C.
§ 252(b) of Interconnection Rates, Terms, and
Conditions with)

SPRINT UNITED-CENTEL OF FLORIDA, INC.)

Docket No. 960838-TP

Filed: August 23, 1996

REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE

ON BEHALF OF

MFS COMMUNICATIONS COMPANY, INC.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**REBUTTAL TESTIMONY OF TIMOTHY T. DEVINE
ON BEHALF OF
MFS COMMUNICATIONS COMPANY, INC.**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A. My name is Timothy T. Devine. My business address is MFS**
3 **Communications Company, Inc. ("MFSCC"), Six Concourse Parkway, Suite**
4 **2100, Atlanta, Georgia 30328.**

5 **Q. ARE YOU THE SAME TIMOTHY DEVINE WHO PREVIOUSLY FILED**
6 **TESTIMONY IN THIS PROCEEDING?**

7 **A. Yes.**

8 **Q. ARE YOU THE SAME TIMOTHY DEVINE WHO FILED A**
9 **VERIFICATION WITH MFS' PETITION, TO WHICH IS APPENDED**
10 **MFS' PROPOSED COMPREHENSIVE INTERCONNECTION**
11 **AGREEMENT, AMONG OTHER EXHIBITS?**

12 **A. Yes.**

13 **Q. DO YOU ADOPT THOSE EXHIBITS AND THE FACTS CONTAINED**
14 **IN THE PETITION?**

15 **A. Yes.**

16 **I. INTRODUCTION**

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
2 PROCEEDING?

3 A. To respond on behalf of MFS Communications Company, Inc. ("MFS") to the
4 direct testimony of William E. Cheek on behalf of Sprint United-Centel of
5 Florida, Inc. ("Sprint"), and to provide general rebuttal on the issues presented
6 in the pleadings and papers, and to testify in light of recent correspondence
7 from Sprint regarding the subject matters of this proceeding.

8 Q. HAVE YOU STATED THE MFS POSITION ON BOTH THE
9 INTERCONNECTION AND UNBUNDLING ISSUES ADDRESSED IN
10 THIS DOCKET?

11 A. Yes. The MFS position on these issues in this docket is most fully addressed
12 in my Direct Testimony. David Porter will file Rebuttal Testimony addressing
13 costing issues.

14 Q. HAS THE FCC ISSUED RULES IMPLEMENTING THE
15 TELECOMMUNICATIONS ACT OF 1996 ("1996 ACT" OR "ACT")
16 SINCE YOU FILED YOUR DIRECT TESTIMONY?

17 A. Yes. The FCC adopted interconnection rules ("FCC Interconnection Rules")
18 on August 1, 1996 and released those rules on August 8, 1996. See First
19 Report and Order, CC Docket 96-98 ("FCC Interconnection Order") (rules to
20 be codified at 47 C.F.R., Part 51). The FCC also issued a Second Report and
21 Order in the same docket on August 8, 1996. The FCC Interconnection Rules
22 are attached to my Rebuttal Testimony as Exhibit TTD-8. I will discuss those

1 petitions in those dockets were brought under state law, the Commission's
2 decisions are generally consistent with the 1996 Act. There is no need to
3 burden the resources of this Commission by relitigating issues which the
4 Commission already has considered thoroughly and upon which it has already
5 ruled. To the extent that the Commission's Orders are inconsistent with the
6 1996 Act and FCC interconnection rules, the Commission decision in this
7 proceeding should conform to the federal law. The FCC Interconnection rules
8 make clear that (1) they are binding on state commissions in these arbitrations,
9 and (2) they pre-empt state regulations to the extent of any inconsistency. FCC
10 Interconnection Rules at ¶-101.

11 **Q. HAS MFS EXECUTED CO-CARRIER AGREEMENTS IN ADDITION**
12 **TO THOSE YOU IDENTIFIED IN YOUR DIRECT TESTIMONY?**

13 **A.** Yes. In my Direct Testimony and its accompanying exhibits, I identified MFS
14 co-carrier agreements with Ameritech, NYNEX, GTE of Florida, and Pacific
15 Bell. Just to clarify, the GTE of Florida and Pacific Bell agreements are not
16 agreements executed pursuant to Section 251 of the 1996 Act. I attach a co-
17 carrier agreement between Southwestern Bell and MFS as Exhibit TTD-9, and
18 a representative MFS-BellAtlantic agreement as Exhibit TTD-10. Except for
19 individual loop rates, reciprocal compensation rates, and other financial
20 arrangements, these agreements are substantially similar to each other and to
21 the co-carrier agreements appended as exhibits to my Direct Testimony. The
22 Southwestern Bell and BellAtlantic agreements, for example, do not provide

1 for loop rates, while the Ameritech agreement does. Consequently, MFS has
2 sought state arbitration under the 1996 Act in the relevant Southwestern Bell
3 and Bell Atlantic states in those carriers' territories solely on the limited issues
4 of specific financial arrangements.

5 In addition, MFS has interim interconnection agreements with GTE in -
6 Florida, Texas, California, and Washington. I attach the GTE of Florida
7 interim agreement as Exhibit TTD-12. MFS also is scheduled to execute
8 another interim agreement with GTE in Virginia on September 6, 1996.

9
10 **II. UNRESOLVED ISSUES**

11 **Q. PLEASE OUTLINE YOUR TESTIMONY.**

12 **A.** Mr. Check asserts that Sprint does not agree with MFS on any portion of MFS'
13 proposed Comprehensive Interconnection Agreement ("CIA"), except for
14 certain portions which he identifies. Check Direct at 6. I will discuss those
15 issues which MFS believes are unresolved, bearing in mind that Sprint has not
16 executed any agreement of any kind with MFS. I also will respond to Sprint's
17 direct testimony on these points. MFS requested Sprint to state specifically any
18 provision of the CIA with which it disagrees, both in the July 3 final offer
19 letter to Sprint and in the Petition filed in this case on July 17. Sprint has
20 stated in its response to MFS' petition that it "agrees with MFS on many
21 issues," and that there are "really only two major disagreements between the
22 parties, those being the rate(s) for interconnection and the rates for unbundling.

1 Response at 3. After some discussions among the parties, Sprint provided a
2 letter to MFS dated August 16, 1996 (attached to my Rebuttal Testimony as
3 Exhibit TTD-11) (the "Detailed Response"). The Detailed Response provides
4 a section by section response to MFS' proposed CIA. A review of the Detailed
5 Response confirms that Sprint's objections are relatively limited, and that it
6 appears in fact to have accepted large portions of the CIA. Accordingly, we
7 seek the Commission to require Sprint to promptly execute an agreement as to
8 those points in the CIA not objected to, and to arbitrate any remaining issues.
9 To the extent Sprint retracts its agreement, as stated in the Detailed Response,
10 to unobjected portions of the CIA, MFS requests prompt arbitration on those
11 issues as well.

12 **Q. HAS SPRINT RESPONDED IN ANY FASHION TO MFS**
13 **REGARDING THE COMPREHENSIVE INTERCONNECTION**
14 **AGREEMENT?**

15 **A.** Yes. As stated above, the Detailed Response provides a line by line, page by
16 page review of the CIA and discusses what specific changes in that agreement
17 Sprint would like to see, as well as what Sprint believes the unresolved issues
18 are in the arbitration.

19 **Q. WHAT IS THE EFFECT OF THE FCC INTERCONNECTION ORDER**
20 **ON THE CIA?**

1 A. The CIA was drafted before the FCC Order was released. Obviously, some
2 MFS positions change to conform to the new Order. In my Rebuttal
3 Testimony, I will describe how this order affects MFS' substantive proposals.
4

5 **A. NETWORK INTERCONNECTION ARCHITECTURE**
6 **PURSUANT TO SECTION 251(C)(2) (§ 4.0 OF THE**
7 **COMPREHENSIVE INTERCONNECTION AGREEMENT)**

8 **Q. WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE**
9 **NETWORK INTERCONNECTION ARCHITECTURE BETWEEN MFS**
10 **AND SPRINT?**

11 A. Under 47 U.S.C. § 251(c)(2)(B), Sprint must provide interconnection at any
12 technically feasible point within its network. MFS proposes in § 4.0 of the
13 CIA that interconnection be accomplished through mutually agreed upon meet
14 points, with each carrier responsible for providing facilities and trunking to the
15 interconnection point for the hand off of local and toll traffic, and each carrier
16 responsible for completing calls to all end users on its network. See CIA,
17 Exhibit 7.0. The Commission ordered similar arrangements in its
18 Interconnection Order at 40-41. In order to implement appropriate
19 interconnection arrangements, a comprehensive agreement must contain
20 appropriate provisions on a number of key issues. Obviously, provisions for
21 definitions and interpretation and construction are necessary; MFS has provided
22 these in §§ 1.0 and 2.0 respectively of the CIA. More importantly, an

1 implementation schedule and agreement on interconnection activation dates is
2 a logical and critical element. MFS provides for this in § 3.0 of the CIA.
3 § 3.0 is expressly provided "pursuant to § 4.0" (dealing with network
4 interconnection). Such a provision is specifically mandated as a standard for
5 arbitration under § 252(c)(3) of the Act. MFS has similar interconnection
6 arrangements with Ameritech, BellAtlantic (Exhibit TTD-10, at § 4.0), GTE
7 of Texas, GTE of Florida (Exhibit TTD-12, § 3), NYNEX (Exhibit TTD-3,
8 § 4.0), Pacific Bell and Southwestern Bell (Exhibit TTD-9, at § 4.0). The
9 FCC Interconnection Rules at 47 C.F.R. § 51.305 also require these
10 arrangements. Simply put, these arrangements are not only technologically
11 feasible, they are required by law.

12 **Q. WHAT IS THE SOURCE OF SPRINT'S DISAGREEMENT WITH MFS**
13 **ON NETWORK INTERCONNECTION ARCHITECTURE?**

14 **A.** Mr. Cheek asserts that "[t]here really is not a controversy over the point of
15 interconnection; i.e., Maitland or Winter Park. The controversy is over whether
16 the facilities between MFS' Maitland switch and Sprint's Winter Park tandem
17 switch will be constructed on a meet point basis." Cheek Direct at 9. MFS
18 discussed interconnecting at its Maitland switch and Sprint at its Winter Park
19 switch. No agreement was reached, however. Mr. Cheek testifies that Sprint
20 will construct facilities to the wire center boundary or half way between Sprint's
21 switch and the CLEC switch, whichever is less. Cheek Direct at 9. At this
22 point, it appears MFS and Sprint disagree only on whether they can interconnect

1 at each others' manholes at central offices outside the wire center boundary.
2 Clearly, MFS' interconnection network proposal as described in § 4.0 of the CIA
3 is technically feasible and, as such, must be provided to MFS.
4

5 **B. TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE**
6 **SERVICE TRAFFIC AND EXCHANGE ACCESS TRAFFIC**
7 **PURSUANT TO SECTION 251(C)(2) (§§ 5.0 & 6.0 OF THE**
8 **COMPREHENSIVE INTERCONNECTION AGREEMENT)**

9 **Q. WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR TRUNKING**
10 **BETWEEN MFS AND SPRINT?**

11 **A.** MFS' proposal is set out in § 5.0 of the Comprehensive Interconnection
12 Agreement. The FCC interconnection rules require that Sprint interconnect
13 using two-way trunk groups wherever technically feasible. 47 C.F.R. §
14 51.305(f). Use of two-way trunking arrangements to connect the networks of
15 incumbent LECs is standard in the industry. Two-way trunk groups represent
16 the most efficient means of interconnection because they minimize the number
17 of ports each carrier will have to utilize to interconnect with all other carriers.
18 Mr. Cheek testifies that Sprint "has already committed to interconnect for
19 trunking and signaling at its tandems, end offices and at midspan meets with
20 two-way and/or one-way industry standard trunking facilities and signaling
21 arrangements. Cheek Direct at 10. If that means that Sprint agrees to all of
22 §§ 5.0 & 6.0 of the CIA, then MFS will be satisfied. My understanding is,

1 however, that we disagree about measurement and billing, § 5.7 of the CIA,
2 and reciprocal compensation arrangements, § 5.8 of the CIA. The basis of
3 disagreement for § 5.7 is only that Sprint is not familiar with our requested
4 CPN methodology. See Exhibit TTD-11, at 2.

5 **Q. WHAT IS THE APPROPRIATE RECIPROCAL COMPENSATION**
6 **RATE AND ARRANGEMENTS FOR LOCAL CALL TERMINATION**
7 **BETWEEN MFS AND SPRINT (§ 5.8 OF THE CIA)?**

8 **A.** MFS has proposed a reciprocal compensation rate of \$0.005 per minute of use.
9 The FCC's Interconnection Order and Rules now mandate that state
10 commissions can only approve reciprocal compensation rates based on total
11 element long-run incremental cost ("TELRIC") pricing, defined as "the
12 forward-looking cost over the long run of the total quantity of the facilities and
13 functions that are directly attributable to, or reasonably identifiable as
14 incremental to, such element, calculated taking the incumbent LEC's provision
15 of other elements" plus a reasonable share of forward-looking joint and
16 common costs. 47 C.F.R. § 51.505. In the absence of TELRIC studies,
17 states must use the FCC proxy rates of \$0.002-0.004 per minute of use for
18 local switching and an additional \$0.0015 per minute of use for tandem
19 switching. Accordingly, MFS believes that until such TELRIC data from
20 Sprint is approved by the Commission, it must apply the FCC's proxy rate.

21 MFS has signed agreements with other carriers which reflect that MFS
22 receives tandem switching charges when its switch is in the same geographic

1 area as an ILEC. This is consistent with the FCC Interconnection Order at ¶
2 1090 which states that "where the [CLEC's] switch serves a geographic area
3 comparable to that served by the [ILEC's] tandem switch, the appropriate
4 proxy for the [CLEC's] additional costs is the LEC tandem interconnection
5 rate." MFS is willing to agree to an equal, reciprocal compensation rate based
6 on MFS' network and switches, as well as Sprint's.

7 **Q. WHAT IS YOUR UNDERSTANDING OF SPRINT'S PROPOSAL FOR**
8 **RECIPROCAL COMPENSATION?**

9 **A.** Mr. Cheek's direct testimony at 12-15 discusses Sprint's proposal. Sprint
10 apparently agrees with MFS that the rate should be cost-based. Cheek Direct
11 at 13. I believe that the FCC Interconnection Rules now address this, and
12 MFS' position now is that the FCC's default rate for tandem switching should
13 apply in the absence of TELRIC data. The Detailed Response states that
14 Sprint is willing to accept the FCC's proxy rate. Exhibit TTD-11 at 4. To that
15 extent, I believe Sprint and MFS agree that this Commission should apply the
16 proxy rate.

17 Mr. Cheek also proposes a bill and keep regime for end office switching
18 on a reciprocal basis for an interim two-year period. Cheek Direct at 13.
19 MFS disagrees that bill and keep should apply, for the reasons stated below.

20 **Q. DO THE FCC INTERCONNECTION RULES ADDRESS BILL AND**
21 **KEEP AS A RECIPROCAL COMPENSATION METHOD?**

1 A. Yes. Under 47 C.F.R. § 51.713, a state commission may order bill and keep
2 arrangements if the state commission determines that the amount of local
3 telecommunications traffic from one network to the other is roughly balanced
4 with the amount of local telecommunications traffic flowing in the opposite
5 direction, and is expected to remain so, and no showing has been made that it
6 is not roughly balanced and expected to remain so. If a state commission does
7 adopt bill and keep it may also include a true-up mechanism to compensate for
8 traffic imbalances.

9 **Q. DOES MFS ADVOCATE A BILL AND KEEP REGIME?**

10 A. No. In the state proceeding MFS advocated bill and keep on an interim basis
11 only. Based on subsequent events, MFS in this proceeding advocates a single,
12 mutual, and reciprocal compensation rate for local call termination. Until the
13 Commission approves a total element long run incremental cost ("TELRIC")
14 based study, which to date it has not, the FCC's proxy range for call
15 termination should apply. That range, \$0.002-0.004 per minute of use, plus
16 \$0.0015 per minute of use for tandem switching, is found in 47 C.F.R. §
17 51.707.

18 At the time I testified in the state proceeding, MFS' experience in New
19 York was that traffic was slightly out of balance and to some extent I deemed
20 this as a result of the "start up" nature of the business. Today, MFS provides
21 local telecommunications services in over a dozen markets including New
22 York, Baltimore, and Chicago. MFS' experience in those additional markets

1 and further experience in New York appears to confirm a trend that, at least
2 initially and continuing for a period of time, traffic is not in balance. MFS
3 presently terminates significantly more traffic on its network for the LEC
4 customers than vice versa. MFS' experience, combined with the FCC's
5 designation of a specific rate range, demonstrates that there is a need for a
6 mutual compensation rate and that that rate can be calculated with some
7 precision.

8 **Q. DO SPRINT AND MFS AGREE ON COMPENSATION FOR**
9 **TRANSITING TRAFFIC?**

10 **A.** Apparently not. Mr. Cheek seems to agree that collocated CLECs should be
11 able to establish direct connections between each other's facilities. Cheek
12 Direct at 11. He asserts, however, that these connections must be made using
13 Sprint's tariffed cross-connect facilities and, if required, tariffed cable and
14 conduit facilities. Id. MFS cannot agree, as the FCC's standard is that
15 TELRIC based pricing should apply. FCC Interconnection Order at ¶ 186.
16 Accordingly, based upon the FCC's Orders, Sprint's position must be rejected.

17 **Q. WHAT DOES MFS PROPOSE TRANSITING TRAFFIC**
18 **COMPENSATION?**

19 **A.** When MFS transits a Sprint switch to pass traffic to another LEC, MFS
20 proposes that until such time as Sprint files a TELRIC based study which is
21 approved by the Commission, the FCC's proxy rate for Tandem switching or

1 Sprint's FCC switched access tandem switching rate should be adopted in the
2 interim.

3
4 **C. TRANSPORT AND TERMINATION OF OTHER TYPES OF**
5 **TRAFFIC**

6 **Q. WHAT ARE THE APPROPRIATE RATES, TERMS AND**
7 **CONDITIONS, IF ANY, FOR BILLING, COLLECTION AND**
8 **RATING OF INFORMATION SERVICES TRAFFIC BETWEEN**
9 **MFS AND SPRINT?**

10 **A.** As described in my direct testimony at 41-44, MFS' proposal is in its
11 Comprehensive Interconnection Agreement at § 7.1. That section provides:

12 **7.1 Information Services Traffic**

13 **7.1.1** Each Party shall route Information Service Traffic which originates on
14 its own network to the appropriate information services platform(s)
15 connected to the other Party's network over the Local/IntraLATA
16 Trunks.

17 **7.1.2** The Party ("Originating Party") on whose network the Information
18 Services Traffic originated shall provide an electronic file transfer or
19 monthly magnetic tape containing recorded call detail information to the
20 Party ("Terminating Party") to whose information platform the
21 Information Services Traffic terminated.

1 **7.1.3** The Terminating Party shall provide to the Originating Party via
2 Electronic file transfer or magnetic tape all necessary information to
3 rate the Information Services Traffic to the Originating Party's
4 Customers pursuant to the Terminating Party's agreements with each
5 information provider.

6 **7.1.4** The Originating Party shall bill and collect such information provider
7 charges and remit the amounts collected to the Terminating Party less:

- 8 a) The Information Services Billing and Collection fee set forth in
9 Exhibit 9.0; and
10 b) An uncollectibles reserve calculated based on the uncollectibles
11 reserve in the Terminating Party's billing and collection
12 agreement with the applicable information provider; and
13 c) Customer adjustments provided by the Originating Party. The
14 Originating Party shall provide to the Terminating Party
15 sufficient information regarding uncollectibles and Customer
16 adjustments. The Terminating Party shall pass through the
17 adjustments to the information provider. However, if the
18 information provider disputes such adjustments and refuses to
19 accept such adjustments, the Originating Party shall reimburse
20 the Terminating Party for all such disputed adjustments. Final
21 resolution regarding all disputed adjustments shall be solely
22 between the Originating Party and the information provider.

1 **7.1.5** Nothing in this Agreement shall restrict either Party from offering to its
2 Exchange Service Customers the ability to block the completion of
3 Information Service Traffic.

4 **Q. DOES SPRINT AGREE WITH THIS PROPOSAL?**

5 **A. No. See Cheek Direct at 29-30.**

6 **Q. DOES MFS HAVE SIMILAR ARRANGEMENTS WITH OTHER**
7 **INCUMBENT CARRIERS?**

8 **A. Yes. For example, MFS has this arrangement in its co-carrier agreements with**
9 Ameritech (see Exhibit TTD-2 at 20-21), GTE of Florida and Texas, NYNEX
10 (see Exhibit TTD-3 at 15-16), and Pacific Bell (see Exhibit TTD-7, at 35-36).

11

12 **D. UNBUNDLED ACCESS -- SECTIONS 251(C)(3) AND 271**

13 **Q. WHAT IS THE APPROPRIATE RATE FOR THE FOLLOWING**
14 **UNBUNDLED LOOPS: 2-WIRE ANALOG VOICE GRADE LOOP; 4-**
15 **WIRE ANALOG VOICE GRADE LOOP; AND 2-WIRE ISDN DIGITAL**
16 **GRADE LOOP.**

17 **A. MFS' proposed rates are set out in § 9.6 of the Comprehensive Interconnection**
18 Agreement and Exhibit 12 to that agreement. Since MFS' original proposal,
19 the FCC Interconnection Order has been adopted. The FCC Interconnection
20 Order mandates that if there are no TELRIC-based cost studies meeting FCC
21 criteria and approved as such, then the FCC's proxy ceiling rates apply. MFS'
22 position, in light of the new Order, is that this Commission must apply the

1 proxy ceilings. While Sprint's direct testimony discusses a discrete Sprint rate
2 proposal, the Detailed Response states that Sprint is willing to accept the FCC
3 proxy rate. Exhibit TTD-11, at 4. This Commission should apply the proxy
4 rate, disaggregated into geographically deaveraged zones.

5 **Q. HOW DO THE PROXY CEILINGS IN THE FCC INTERCONNECTION**
6 **RULES RELATE TO THE FCC'S UNBUNDLED LOOP RATES?**

7 **A.** They demonstrate that Sprint's proposed rates are too high. For Florida, the
8 proxy ceiling in 47 C.F.R. § 51.513 is \$13.68. This is the monthly rate for
9 unbundled loops, on a statewide averaged basis, with three or more
10 geographically deaveraged zones. This rate is to apply when an appropriate
11 TELRIC based cost study meeting FCC criteria has not been prepared and
12 approved by the Commission. Sprint's cost study does not meet the FCC
13 criteria and, accordingly, is not the type of cost study that can be approved by
14 this Commission based on the FCC standards. It is neither TELRIC-based, nor
15 does it have geographically deaveraged zones. Mr. Porter describes these
16 issues in more detail in his testimony. In summary, MFS believes this
17 Commission is compelled to apply the Florida proxy ceiling until appropriate
18 cost studies submitted are approved in an appropriate proceeding.

19 **Q. WHAT IS THE APPROPRIATE PRICE FOR THE CROSS-CONNECT?**

20 **A.** Mr. Porter will address pricing in his Rebuttal Testimony. In general, the
21 cross-connect should be priced at TELRIC.

1 **Q. DOES SPRINT'S DISCRETE PRICING PROPOSAL FOR UNBUNDLED**
2 **ELEMENTS ELIMINATE THE POSSIBILITY OF A PRICE SQUEEZE?**

3 **A.** No. MFS' position is that the sum of the costs of the unbundled elements
4 should not exceed the price of the bundled package. This would present a
5 fundamentally uneconomic arrangement, and would, among other things, cast
6 doubt on the reliability of the unbundled element cost figures. More
7 importantly, it would stifle competition by plainly making it impossible to
8 profitably enter the market. Mr. Cheek characterizes my testimony regarding
9 pricing as putting a "cap on the prices for unbundled network elements."
10 Cheek Direct at 25. We do not accept this characterization. Simply put, we
11 need to have reliable cost data and the ability to viably enter the marketplace.

12 **Q. IS IT APPROPRIATE FOR SPRINT TO PROVIDE MFS WITH 2-WIRE**
13 **ADSL COMPATIBLE, AND 2-WIRE AND 4-WIRE HDSL**
14 **COMPATIBLE LOOPS? IF SO, WHAT ARE THE APPROPRIATE**
15 **RATES FOR LOOPS?**

16 **A.** Yes. The Act and the FCC's orders clearly require ILECs to provide
17 interconnection at any "technically feasible point," even if that point requires
18 a novel use of, or some modification to the ILEC's network facilities to
19 accommodate the interconnection or access. FCC Order at ¶ 202. We believe
20 that our request for the loops described in the question is clearly technically
21 feasible, since, among other things, Ameritech Illinois currently provides such
22 loops to an MFS subsidiary. The co-carrier agreement between Ameritech

1 Illinois and MFS (Exhibit TTD-2) at pages 22-23 describe the availability of
2 ADSL- and HDSL-compatible loops. The FCC Order specifically addresses
3 these forms of loops and requires that they be provided on an unbundled basis.
4 Until such time as cost studies meeting FCC criteria are approved by the
5 Commission, the FCC's proxy ceiling should apply for these loops.

6 **Q. DOES SPRINT HAVE AN OBLIGATION TO PROVIDE THESE**
7 **LOOPS?**

8 **A.** Yes. The FCC's order adopting the interconnection rules rejected the notion
9 that new entrants be required to "take ILECs as they find them." Rather,
10 ILECs have a duty to undertake some modification of their facilities in order
11 to provide certain services, with the cost of modification being borne by the
12 requesting carrier. For example, if a requesting party seeks to provide ADSL
13 and the loop is not properly conditioned, the ILEC must condition the loop, but
14 the requesting party must pay for the conditioning. Thus, Sprint must provide
15 MFS with the loops it requests. Sprint appears to acknowledge this. See
16 Cheek Direct at 19-20. Generally speaking, most standard dry copper loops
17 within acceptable distances should support ADSL and HDSL requirements.

18
19 **E. COLLOCATION--SECTION 251(C)(6) (§ 12.0 OF THE**
20 **COMPREHENSIVE INTERCONNECTION AGREEMENT)**

21 **Q. DO SPRINT AND MFS AGREE TO THE TERMS OF COLLOCATION?**

1 A. Based on Mr. Cheek's testimony, there appears to be agreement on the type of
2 collocation MFS seeks. Check Direct at 20. Sprint disagrees, however, with
3 MFS' proposed procedure for requesting collocation. Id. Sprint also raised
4 certain issues regarding collocation in its Detailed Response. The FCC
5 Interconnection Rules mandate, however, that collocation occur in any
6 technically feasible manner which a carrier requests, with the burden on the
7 ILEC to prove that it cannot be done. 47 C.F.R. § 51.323. This Commission
8 should adopt MFS' proposal, as it is technically feasible and provided by other
9 ILECs. In addition, collocation should be priced at TELRIC based rates until
10 Sprint produces an appropriate cost study approved by this Commission. MFS
11 has submitted to Sprint a draft collocation agreement for discussion. I attach
12 this proposal as Exhibit TTD-13.

13
14 **F. NUMBER PORTABILITY—SECTION 251(B)(2) (§ 13.0 OF THE**
15 **COMPREHENSIVE INTERCONNECTION AGREEMENT)**

16 **Q. WHAT IS THE APPROPRIATE COST RECOVERY FOR INTERIM**
17 **NUMBER PORTABILITY VIA CALL FORWARDING PROVIDED BY**
18 **SPRINT TO MFS PURSUANT TO THE ORDER ISSUED JULY 2, 1996**
19 **IN FCC DOCKET 95-116?**

20 A. The Telecommunications Act expressly provides that the costs of number
21 portability must be shared by all telecommunications carriers. Specifically,
22 Section 251(e) states that:

1 The costs of establishing . . . number portability *shall be borne by*
2 *all telecommunications carriers on a competitively neutral basis*
3 as determined by the [FCC].

4 (Emphasis added.) The FCC has concluded that any cost recovery mechanism
5 that requires new entrants to bear all of the costs of interim number portability
6 does not comply with Section 251(e). *In the Matter of Telephone Number*
7 *Portability*, First Report and Order, CC Docket No. 95-116, at 72 (released July
8 2, 1996) ("Report and Order"). The FCC interprets the competitively neutral cost
9 recovery requirement as obligating all carriers, including IXCs and CMRS
10 providers to contribute to the costs of interim number portability. Report and
11 Order 68. According to the FCC, "imposing the full incremental cost of number
12 portability solely on new entrants would contravene the statutory mandate that
13 all carriers share the cost of number portability." Thus, the tariffed charges
14 currently imposed by ILECs on purchasers of interim number portability are
15 inconsistent with the Act and must be suspended immediately.

16 Although the FCC has afforded States some flexibility in determining an
17 appropriate cost recovery mechanism, it has adopted guidelines that the States
18 must follow. Report and Order at 66. A cost recovery mechanism must satisfy
19 two criteria in order to satisfy the competitively neutral requirement. First, a
20 competitively neutral cost recovery mechanism must not give one service
21 provider an appreciable, incremental cost advantage over another service provider
22 when competing for a specific customer. Report and Order at 69. Second, the
23 cost recovery mechanism must not have a disparate effect on the ability of

1 competing service providers to earn normal returns on their investment. Report
2 and Order at 72.

3 Among the cost recovery mechanisms cited by the FCC as complying
4 with its competitively neutral criteria is the revenue-based approach advocated
5 by MFS. Report and Order at 71. Under MFS' approach, all
6 telecommunications carriers would contribute to an interim number portability
7 fund in direct proportion to their respective total intrastate telecommunications
8 service revenues net of payments to other telecommunications carriers for
9 intermediary telecommunications services employed in the delivery of revenue-
10 generating services. In order to implement this mechanism, the Commission will
11 have to determine the incremental costs of providing interim number portability
12 that are subject to recovery and, in conjunction with the industry, estimate the
13 size of the fund necessary to cover these costs. Cost recovery will be
14 accomplished as follows:

- 15 ■ Each carrier would contribute an amount to the fund that is equal to the
16 product of the carrier's gross intrastate telecommunications services
17 revenues, less its payments to underlying carriers for telecommunications
18 services -- e.g., switched access, interconnection, unbundled network
19 elements, reciprocal compensation, resold bundled services -- times a
20 contribution factor determined by the Commission.
- 21 ■ The contribution factor would be calculated by dividing the estimated
22 costs of providing interim number portability (the required fund size) by

1 the total intrastate revenues of all telecommunications carriers. This
2 factor may be adjusted from time to time to reflect changes in the size of
3 the fund.

4 ■ Each local exchange carrier that provides interim number portability to
5 another carrier would be allowed to draw from the fund an amount equal
6 to the number of interim number portability arrangements it provides
7 times the incremental cost the Commission deems appropriate for
8 recovery.

9 Because all net revenues of all carriers will be subject to the same
10 allocation mechanism, each carrier will make a proportionate contribution to the
11 funding of interim number portability costs. The netting of payments for
12 intermediary telecommunications services is necessary to avoid multiple
13 assessments on services that are components of final end user services or services
14 that are resold one or more times. Pursuant to MFS' proposal, each carrier's
15 contribution to interim number portability costs will be based proportionately on
16 the added value it delivers into the telecommunications marketplace, as measured
17 by the net revenue it derives. Economists have long favored value-added
18 assessment mechanisms because such mechanisms ensure maximum neutrality
19 and impose the minimum distortions on competitive market dynamics.

20 The FCC is currently using a gross revenues methodology for the
21 allocation of costs incurred in the provision of Telecommunications Relay

1 Service as well as for the assessment of FCC regulatory fees. With respect to the
2 latter, the FCC has concluded that:

3 Properly administered, a gross revenues methodology will ease
4 administrative burdens of carriers in calculating fee payments,
5 provide reliable and verifiable information upon which to
6 calculate the fee and equitably distribute the fee requirement in a
7 *competitively neutral manner.*

8 *In the Matter of the Assessment and Collection of Regulatory Fees For Fiscal*
9 *Year 1995, Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the*
10 *Act*, MD Docket No. 95-3, Report and Order at (released June 19, 1995)
11 (emphasis added). MFS' revenue-based cost recovery mechanism for interim
12 number portability would likewise ease administrative burdens and ensure that
13 the costs of interim number portability are borne by all telecommunications
14 carriers on a competitively neutral basis.

15 **Q. HOW DOES THE FCC DEFINE THE COSTS OF INTERIM NUMBER**
16 **PORTABILITY?**

17 **A.** In its Report and Order at 67, the FCC defined the costs of interim number
18 portability that are subject to recovery pursuant to a competitively neutral cost
19 recovery mechanism as incremental costs. Specifically, the FCC stated that:

20 The costs of currently available number portability are the
21 *incremental costs incurred by a LEC to transfer numbers*
22 *initially and subsequently forward calls to new service providers*
23 *using existing RCF, DID, or other comparable measures.*
24 (Emphasis added.)

1 Q. WHAT IS MFS' RESPONSE TO MR. CHEEK'S TESTIMONY
2 REGARDING THE PRICE FOR INTERIM NUMBER
3 PORTABILITY?

4 A. Sprint's proposal (Cheek Direct at 46-47) is not based upon an appropriate
5 incremental cost based study, and does not otherwise meet the criteria
6 established by the FCC. Briefly, Sprint's proposal does not comply with the
7 FCC's number portability order, is not competitively neutral, and does not
8 further a principle of cost causation for cost recovery.

9
10 G. DIRECTORY SERVICES ARRANGEMENTS—SECTION 271 (§
11 19.0 OF THE COMPREHENSIVE INTERCONNECTION
12 AGREEMENT)

13 Q. SHOULD SPRINT BE REQUIRED TO INSERT MFS' LOGO IN ITS
14 ALEC INFORMATION SECTION (CALL GUIDE PAGES) OF THE
15 WHITE PAGES DIRECTORY AT NO COST?

16 A. Yes. MFS' Comprehensive Interconnection Agreement at § 19.5 provides:

17 19.5 Information (Call Guide) Pages

18 Sprint will include in the "Information Pages" or comparable section of
19 its White Pages Directories for areas served by MFS, listings provided
20 by MFS for MFS' installation, repair and customer service and other
21 service oriented information, including appropriate identifying logo, in
22 a mutually agreed format. Such listings shall appear in the manner and

1 likenesses as such information appears for subscribers of Sprint and
2 other LECs. Also, Sprint shall include MFS' NXXs interfiled with
3 Sprint's NXXs in the appropriate section of the directories. Sprint
4 shall not charge MFS for inclusion of this information.

5 **Q. DOES THE TELECOMMUNICATIONS ACT COMPEL THE**
6 **PROVISION REGARDING LOGO INSERTION?**

7 **A.** Yes. Broadly speaking, the Act seeks to encourage equal and fair access and
8 competition. Our view is that getting our logo published is a key element of
9 such competition. Under 47 U.S.C. §251(b)(3), all carriers are to have non-
10 discriminatory access to directory listings. Sprint's logo appears in the white
11 pages directory. Therefore, Sprint should provide insertion of MFS' logo at
12 no cost.

13 **Q. WHY IS THIS ISSUE IMPORTANT TO MFS?**

14 **A.** MFS' customers and prospective customers will be unable to locate important
15 customer service and other information regarding MFS if this information is
16 buried in the directory. Mr. Cheek indicates that Sprint's directory publishers
17 do not intend to include any logos of any CLEC in the information pages.
18 Cheek Direct at 31. What Mr. Cheek does not say is that the directory
19 publisher is a Sprint affiliate. Conspicuously absent from Mr. Cheek's
20 testimony is whether or not the publisher will not include Sprint's logo.
21 Sprint's directory does include Sprint's logo elsewhere in the white pages
22 (including the front cover of the directory). We believe that MFS' logo in the

1 information pages will aid the public in locating MFS-specific telephone
2 numbers without undue confusion.

3 MFS has arrangements regarding the inclusion of its logo with
4 Ameritech, BellAtlantic (Exhibit TTD-10, at 3), GTE, NYNEX (Exhibit TTD-
5 3, at 34), and Pacific Bell (Exhibit TTD-7, at 35). Sprint and its publishing
6 affiliate's refusal to include MFS' logo is inappropriate in the face of this
7 widespread industry acceptance.

8
9 **H. STIPULATED DAMAGES**

10 **Q. DOES THE COMMISSION HAVE THE AUTHORITY AND**
11 **JURISDICTION TO REQUIRE THE INCLUSION OF A CLAUSE FOR**
12 **STIPULATED DAMAGES IN AN INTERCONNECTION AGREEMENT**
13 **BETWEEN MFS AND SPRINT?**

14 **A.** I believe that the issue of whether the Commission has authority and
15 jurisdiction is a legal question which MFS has addressed in its Opposition to
16 Sprint's Motion to Dismiss portions of MFS' application. Simply put, we
17 believe the Commission does have such authority.

18 **Q. SHOULD THE INTERCONNECTION AGREEMENT BETWEEN MFS**
19 **AND SPRINT INCLUDE PROVISIONS FOR STIPULATED DAMAGES**
20 **FOR SPECIFIED PERFORMANCE BREACHES? IF SO, WHAT**
21 **PROVISIONS SHOULD BE INCLUDED?**

1 A. Yes. Mr. Cheek states the amount of the stipulated damage is "punitive."
2 This misses the point. The problem is that the kind of breaches covered are
3 those which could cause irreparable and immeasurable harm to MFS. The
4 figure set for stipulated damages is designed to represent a reasonable amount
5 to provide some measure of compensation if they do occur. Sprint supports a
6 liability for service outages equal to the proportionate charge for the element
7 or service during the period affected. Check Direct at 29. This wholly misses
8 the point - if such outages occur, MFS believes that the damage to its goodwill
9 and reputation will be difficult to measure and well beyond the scope of the
10 proportionate charges. MFS' proposed provisions are found at § 23.0 of the
11 Comprehensive Interconnection Agreement:

12 **23.0 STIPULATED DAMAGES FOR SPECIFIED ACTIVITIES**

13 **23.1 Certain Definitions**

14 When used in this Section 23.0, the following terms shall have the
15 meanings indicated:

16 **23.1.1 "Specified Performance Breach"** means the failure by Sprint to
17 meet the Performance Criteria for any Specified Activity for a
18 period of three (3) consecutive calendar months.

19 **23.1.2 "Specified Activity"** means any of the following activities:

- 20 a) the installation by Sprint of unbundled Loops for MFS
21 ("Unbundled Loop Installation");

- b) Sprint's provision of Interim Telecommunications Number Portability; or
- c) the repair of out of service problems for MFS ("Out of Service Repairs").

23.1.3 "Performance Criteria" means, with respect to each calendar month during the term of this Agreement, the performance by Sprint during such month of each Specified Activity shown below within the time interval shown in at least eighty percent (80%) of the covered instances:

| SPECIFIED ACTIVITY | PERFORMANCE INTERVAL DATE |
|--|--|
| (I) Unbundled Loop Installation | |
| 1-10 Loops per Service Order | 5 days from Sprint's Receipt of valid Service Order |
| 11-20 Loops per Service Order | 10 days from Sprint's Receipt of valid Service Order |
| 21+ Loops per Service Order | to be Negotiated |
| (II) Interim Number Portability | |
| 1-10 Numbers per Service Order | 5 days from Sprint's Receipt of valid Service Order |
| 11-20 Numbers per Service Order | 10 days from Sprint's Receipt of valid Service Order |
| 21+ Numbers per Service Order | to be Negotiated |
| (III) Out-of-Service Repairs | Less than 24 hours from Sprint's Receipt of Notification of Out-of-Service Condition |

23.2 Specified Performance Breach

In recognition of the (1) loss of Customer opportunities, revenues and goodwill which MFS might sustain in the event of a Specified

1 Performance Breach; (2) the uncertainty, in the event of such a
2 Specified Performance Breach, of MFS having available to it customer
3 opportunities similar to those opportunities currently available to MFS;
4 and (3) the difficulty of accurately ascertaining the amount of damages
5 MFS would sustain in the event of such a Specified Performance
6 Breach, Sprint agrees to pay MFS, subject to Section 23.4 below,
7 damages as set forth in Section 23.3 below in the event of the
8 occurrence of a Specified Performance Breach.

9 **23.3 Stipulated Damages**

10 The damages payable by Sprint to MFS as a result of a Specified
11 Performance Breach shall be \$75,000 for each Specified Performance
12 Breach (collectively, the "Stipulated Damages"). MFS and Sprint agree
13 and acknowledge that (a) the Stipulated Damages are not a penalty and
14 have been determine¹ based upon the facts and circumstances of MFS
15 and Sprint at the time of the negotiation and entering into of this
16 Agreement, with due regard given to the performance expectations of
17 each Party; (b) the Stipulated Damages constitute a reasonable
18 approximation of the damages MFS would sustain if its damages were
19 readily ascertainable; and (c) MFS shall not be required to provide any
20 proof of the Stipulated Damages.

1 **23.4 Limitations**

2 In no event shall Sprint be liable to pay the Liquidated Damages if
3 Sprint's failure to meet or exceed any of the Performance Criteria is
4 caused, directly or indirectly, by a Delaying Event. A "Delaying
5 Event" means (a) a failure by MFS to perform any of its obligations set
6 forth in this Agreement (including, without limitation, the
7 Implementation Schedule and the Joint Grooming Plan), (b) any delay,
8 act or failure to act by a Customer, agent or subcontractor of MFS or
9 (c) any Force Majeure Event. If a Delaying Event (i) prevents Sprint
10 from performing a Specified Activity, then such Specified Activity shall
11 be excluded from the calculation of Sprint's compliance with the
12 Performance Criteria, or (ii) only suspends Sprint's ability to timely
13 perform the Specified Activity, the applicable time frame in which
14 Sprint's compliance with the Performance Criteria is measured shall be
15 extended on an hour-for-hour or day-for-day basis, as applicable, equal
16 to the duration of the Delaying Event.

17 **23.5 Records**

18 Sprint shall maintain complete and accurate records, on a monthly
19 basis, of its performance under this Agreement of each Specified
20 Activity, and of its compliance with the Performance Criteria. Sprint
21 shall provide to MFS such records in a self-reporting format on a
22 monthly basis. Notwithstanding Section 32.0, the Parties agree that

1 such records shall be deemed "Proprietary Information" under Section
2 32.0.

3 **Q. MR. CHEEK TAKES ISSUE WITH THE FACT THAT THE**
4 **STIPULATED DAMAGES APPLY ONLY TO SPRINT**
5 **PERFORMANCE BREACHES. WHAT IS YOUR RESPONSE?**

6 **A.** There was no need for stipulated damages when local exchange service was a
7 monopoly and there were no new entrants that needed to rely on some of the
8 facilities of, and interconnections to, the ILEC network. Today, stipulated
9 damages are necessary to ensure that ILECs honor their duty to interconnect
10 and comply with reasonable provisioning intervals and performance standards
11 when providing service to a competitor. I am aware of several co-carrier
12 agreements that contain performance based damages clauses. For example, the
13 MFS-Ameritech Illinois co-carrier agreement contains this provision (*see*
14 Exhibit TTD-2, at 32-35); as does the MFS-NYNEX co-carrier agreement (*see*
15 Exhibit TTD-3, at 37-39); and the MFS-Southwestern Bell co-carrier
16 agreement (*see* Exhibit TTD-9, at § 26).

17 **Q. DO YOU AGREE WITH MR. CHEEK'S DIRECT TESTIMONY AT 26-**
18 **27 THAT THE AMOUNT OF DAMAGES THAT MFS PROPOSES IS**
19 **PUNITIVE?**

20 **A.** No. If MFS is not able to provide timely service and repairs to its customers
21 due to Sprint's delays in provisioning, customers will blame MFS, not Sprint.
22 The loss of revenue and goodwill that MFS will suffer in such circumstances

1 cannot be readily or easily calculated. The stipulated damages represent a
2 reasonable approximation of those losses which MFS would sustain.

3
4 **I. CANCELLATION, CONVERSION, ROLL-OVER CHARGES (§**
5 **25.0 OF THE COMPREHENSIVE INTERCONNECTION**
6 **AGREEMENT)**

7 **Q. IS IT APPROPRIATE FOR SPRINT CUSTOMERS TO BE ALLOWED**
8 **TO CONVERT THEIR BUNDLED SERVICE TO AN UNBUNDLED**
9 **SERVICE AND ASSIGN SUCH SERVICE TO MFS, WITH NO**
10 **PENALTIES, ROLLOVER, TERMINATION OR CONVERSION**
11 **CHARGES TO MFS OR TO THE CUSTOMER (ALSO KNOWN AS**
12 **"FRESH LOOK")?**

13 **A.** Yes. MFS should be responsible only for the direct costs incurred to convert the
14 customer. "Fresh look" is a settled consumer protection principal in Florida
15 which permits consumers to reevaluate, without penalty, their long-term contracts
16 within the new competitive environment. This Commission previously adopted
17 "fresh look" in *Intermedia Communications of Florida, Inc.* In that case, the
18 Commission considered whether to allow special access customers to switch to
19 new competitive carriers without incurring substantial financial liabilities for
20 contract termination. The Commission stated:

21 "[I]ntroducing competition, or extending the scope of competition,
22 provides end users of particular services with opportunities that were not

1 available in the past. However, these opportunities are temporarily foreclosed to
2 end users if they are not able to choose competitive alternatives because of
3 substantial financial penalties for termination of existing contract arrangements.
4 A fresh look proposal will enhance an end user's ability to exercise choice to best
5 meet its telecommunication needs." *Intermedia Communications of Florida,*
6 *Inc.*, 1994 WL 118370 (Fla. P.S.C.), *reconsidered*, 1995 WL 579981 (Fla. P.S.C.,
7 Sep. 21, 1995).

8 In addition to Florida, the FCC and the Commissions of New Jersey,
9 California, and Ohio recognize that without a fresh look, incumbents can lock
10 up customers in long term arrangements and impede competition. See
11 *Expanded Interconnection with Local Telephone Company Facilities*, 9 FCC Rcd
12 5154, 5207-10 (1994) ("fresh look" available to LEC customers who wish to sign
13 with competitive access providers); *Competition in the Interstate Interexchange*
14 *Marketplace*, 7 FCC Rcd 2677, 2681-82 (1992) ("fresh look" in context of 800
15 bundling with interexchange offerings); *Amendment of the Commission's Rules*
16 *Relative to Allocation of the 849-851/894-896 MHz Bands*, 6 FCC Rcd 4582,
17 4583-84 (1991) ("fresh look" imposed as condition of grant of licenses under
18 Title III of Communications Act).

19 **Q. DO MFS AND SPRINT AGREE ABOUT "FRESH LOOK?"**

20 **A.** Generally, MFS and Sprint appear to agree that MFS should pay the direct
21 costs of converting a customer. Sprint wishes to limit the fresh look period to
22 90 days. MFS proposes a six-month fresh look period, on a wire center by

1 wire center basis, where there is a new entrant with an implemented Section
2 251 agreement.

3
4 **III. RESOLVED ISSUES**

5 **Q. ARE THERE OTHER CONTRACTUAL ISSUES IN THE**
6 **COMPREHENSIVE INTERCONNECTION AGREEMENT**
7 **WHICH YOU BELIEVE ARE RESOLVED?**

8 **A.** Yes. MFS requested Sprint to state specifically any provision of the CIA with
9 which it disagrees, both in the July 3 Final Offer letter to Sprint and in the
10 Petition filed in this case on July 17. Sprint has stated in its response to the
11 Petition that it "agrees with MFS on many issues," and that there are "really only
12 two major disagreements between the parties, those being the rate(s) for
13 interconnection and the rates for unbundling." Response at 3. After some
14 discussion among the parties, Sprint provided the Detailed Response. In the
15 Detailed Response, there are a number of provisions of the CIA for which Sprint
16 had no comment or objection. Many such provisions are plainly required under
17 the Act and the FCC Order; others are typical legal provisions found generally
18 in these kinds of agreements. All such provisions are found in the agreements
19 reached by MFS with the various other LECs described above.

20 Sprint raised no issues with respect to the following entire sections of the CIA:

- 21 • § 2.0 - Interpretation and Construction
22 • § 3.0 - Implementation Schedule and Interconnection Activation Dates

- 1 • § 8.0 - Joint Grooming Plan and Installation, Maintenance, Testing &
2 Repair
- 3 • § 10.0 - Resale of Sprint Local Exchange Services - Sections 251(c)(4)
4 and 251(b)(1)
- 5 • § 11.0 - Notice of Changes - Section 251(c)(5)
- 6 • § 14.0 - Dialing and Number Resources, Rate Centers, and Rating Points
- 7 • § 15.0 - Access to Rights-of-Way - Section 251(b)(4)
- 8 • § 16.0 - Database Access - Section 271
- 9 • § 18.0 - 911/E911 Arrangements - Section 271
- 10 • § 20.0 - General Responsibilities of the Parties
- 11 • § 21.0 - Term & Termination
- 12 • § 22.0 - Installation
- 13 • § 25.0 - Cancellation, Conversion, Roll-Over Charges
- 14 • § 26.0 - Severability
- 15 • § 27.0 - Force Majeure
- 16 • § 30.0 - Disputed Amounts
- 17 • § 31.0 - Non-Disclosure
- 18 • § 32.0 - Cancellation
- 19 • § 33.0 - Dispute Resolution
- 20 • § 34.0 - Notices
- 21 • § 36.0 - Miscellaneous

1 Even where Sprint did raise issues in the Detailed Response, those
2 objections were generally with respect to specific sub-sections, or even sentences,
3 of the CIA. With respect to those sub-sections or provisions not objected to,
4 MFS believes they ought to be adopted as part of the agreement between the
5 parties.

6 For example, of seventy-seven total "definitions" included in CIA § 1.0,
7 Sprint objected to only two (§§ 1.42 and 1.43). Similarly, Sprint's objections
8 with respect to other sub-sections are specific and can be readily ascertained by
9 review of the Detailed Response. Accordingly, with respect to those provisions
10 not objected to, MFS similarly requests that they be adopted.

11 Stated differently, MFS views these issues, based upon the Detailed
12 Responses, as now resolved. If, however, Sprint for any reason changes its
13 position with respect to any such resolved issue, and disputes or contests the
14 inclusion of such provisions in the agreement between the parties, then MFS
15 seeks arbitration of any such disputed issue and otherwise reserves all of its
16 rights.

17 More importantly, with respect to those issues which appear settled, the
18 Commission should require Sprint to promptly execute an agreement on these
19 points.

20 **Q. MR. CHEEK'S TESTIMONY AT 8 CLAIMS THAT ALL MFS' ISSUES**
21 **ARE "SUBSUMED" BY YOUR DIRECT TESTIMONY. DO YOU**
22 **AGREE?**

1 A. No. My direct testimony necessarily treats the complex MFS proposal in the
2 CIA in summary fashion. MFS requires a comprehensive agreement with
3 Sprint, and MFS requires arbitration on all issues that must form such an
4 agreement.

5 Q. **DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

6 A. Yes.

APPENDIX B - Final Rules

AMENDMENTS TO THE CODE OF FEDERAL REGULATIONS

1. Part 1 of Title 47 of the Code of Federal Regulations (C.F.R.) is amended as follows:

PART 1 - PRACTICE AND PROCEDURE

2. The table of contents of part 1 is revised to read as follows:

• • • • •

Subpart J - Pole Attachment Complaint Procedures

- 1.1401 Purpose.
- 1.1402 Definitions.
- 1.1403 Duty to provide access; modifications; notice of removal, increase or modification; petition for temporary stay.
- 1.1404 Complaint.
- 1.1405 File numbers.
- 1.1406 Dismissal of complaints.
- 1.1407 Response and reply.
- 1.1408 Number of copies and form of pleadings.
- 1.1409 Commission consideration of the complaint.
- 1.1410 Remedies.
- 1.1411 Meetings and hearings.
- 1.1412 Enforcement.
- 1.1413 Forfeiture.
- 1.1414 State certification.
- 1.1415 Other orders.
- 1.1416 Imputation of rates; modification costs.

• • • • •

3. The authority citation for part 1 is revised to read as follows:

AUTHORITY: 47 U.S.C. 151, 154, 251, 252, 303, and 309(j) unless otherwise noted.

4. Section 1.1401 is revised to read as follows:

§ 1.1401 Purpose.

The rules and regulations contained in subpart J of this part provide complaint and enforcement procedures to ensure that telecommunications carriers and cable system operators

have nondiscriminatory access to utility poles, ducts, conduits, and rights-of-way on rates, terms, and conditions that are just and reasonable.

5. Section 1.1402 is amended by revising paragraph (d) to read as follows:

§ 1.1402 Definitions.

• • • • •

(d) The term complaint means a filing by a cable television system operator, a cable television system association, a utility, an association of utilities, a telecommunications carrier, or an association of telecommunications carriers alleging that it has been denied access to a utility pole, duct, conduit, or right-of-way in violation of this subpart and/or that a rate, term, or condition for a pole attachment is not just and reasonable.

• • • • •

6. Section 1.1403 is amended by retitling the section, by amending paragraphs (a) and (b) and redesignating them as paragraphs (c) and (d), respectively, and by adding new paragraphs (a) and (b) to read as follows:

§ 1.1403 Duty to provide access; modifications; notice of removal, increase or modification; petition for temporary stay.

(a) A utility shall provide a cable television system or any telecommunications carrier with nondiscriminatory access to any pole, duct, conduit, or right-of-way owned or controlled by it. Notwithstanding this obligation, a utility may deny a cable television system or any telecommunications carrier access to its poles, ducts, conduits, or rights-of-way, on a non-discriminatory basis where there is insufficient capacity or for reasons of safety, reliability and generally applicable engineering purposes.

(b) Requests for access to a utility's poles, ducts, conduits or rights-of-way by a telecommunications carrier or cable operator must be in writing. If access is not granted within 45 days of the request for access, the utility must confirm the denial in writing by the 45th day. The utility's denial of access shall be specific, shall include all relevant evidence and information supporting its denial, and shall explain how such evidence and information relate to a denial of access for reasons of lack of capacity, safety, reliability or engineering standards.

(c) A utility shall provide a cable television system operator or telecommunications carrier no less than 60 days written notice prior to: (1) removal of facilities or termination of any service to those facilities, such removal or termination arising out of a rate, term or condition of the cable television system operator's or telecommunications carrier's pole

attachment agreement, or (2) any increase in pole attachment rates; or (3) any modification of facilities other than routine maintenance or modification in response to emergencies.

(d) A cable television system operator or telecommunications carrier may file a "Petition for Temporary Stay" of the action contained in a notice received pursuant to paragraph (c) of this section within 15 days of receipt of such notice. Such submission shall not be considered unless it includes, in concise terms, the relief sought, the reasons for such relief, including a showing of irreparable harm and/or likely cessation of cable television service or telecommunications service, a copy of the notice, and certification of service as required by § 1.1404(b) of this subpart. The named respondent may file an answer within 7 days of the date the Petition for Temporary Stay was filed. No further filings under this section will be considered unless requested or authorized by the Commission and no extensions of time will be granted unless justified pursuant to § 1.46.

7. Section 1.1404 is amended by revising paragraphs (b) and (c) and by adding new paragraph (k) to read as follows:

§ 1.1404 Complaint.

(b) The complaint shall be accompanied by a certification of service on the named respondent, and each of the Federal, State, and local governmental agencies that regulate any aspect of the services provided by the complainant or respondent.

(c) In a case where it is claimed that a rate, term, or condition is unjust or unreasonable, the complaint shall contain a statement that the State has not certified to the Commission that it regulates the rates, terms and conditions for pole attachments. The complaint shall include a statement that the utility is not owned by any railroad, any person who is cooperatively organized or any person owned by the Federal Government or any State.

(k) In a case where a cable television system operator or telecommunications carrier claims that it has been denied access to a pole, duct, conduit or right-of-way despite a request made pursuant to section 47 U.S.C. § 224(f), the complaint shall be filed within 30 days of such denial. In addition to meeting the other requirements of this section, the complaint shall include the data and information necessary to support the claim, including:

- (1) The reasons given for the denial of access to the utility's poles, ducts, conduits and rights-of-way;
- (2) The basis for the complainant's claim that the denial of access is improper;
- (3) The remedy sought by the complainant;

(4) A copy of the written request to the utility for access to its poles, ducts, conduits or rights-of-way;

(5) A copy of the utility's response to the written request including all information given by the utility to support its denial of access. A complaint alleging improper denial of access will not be dismissed if the complainant is unable to obtain a utility's written response, or if the utility denies the complainant any other information needed to establish a *prima facie* case.

8. Section 1.1409 is amended by revising paragraphs (b) and (d) to read as follows:

§ 1.1409 Commission consideration of the complaint.

(b) The complainant shall have the burden of establishing a *prima facie* case that the rate, term, or condition is not just and reasonable or that the denial of access violates 47 U.S.C. § 224(f). If, however, a utility argues that the proposed rate is lower than its incremental costs, the utility has the burden of establishing that such rate is below the statutory minimum just and reasonable rate. In a case involving a denial of access, the utility shall have the burden of proving that the denial was lawful, once a *prima facie* case is established by the complainant.

(d) The Commission shall deny the complaint if it determines that the complainant has not established a *prima facie* case, or that the rate, term or condition is just and reasonable, or that the denial of access was lawful.

9. Section 1.1416 is amended by revising the section and by amending paragraph (b) to read as follows:

§ 1.1416 Imputation of rates; modification costs.

(b) The costs of modifying a facility shall be borne by all parties that obtain access to the facility as a result of the modification and by all parties that directly benefit from the modification. Each party described in the preceding sentence shall share proportionately in the cost of the modification. A party with a preexisting attachment to the modified facility shall be deemed to directly benefit from a modification if, after receiving notification of such modification as provided in subpart J of this part, it adds to or modifies its attachment. Notwithstanding the foregoing, a party with a preexisting attachment to a pole, conduit, duct

or right-of-way shall not be required to bear any of the costs of rearranging or replacing its attachment if such rearrangement or replacement is necessitated solely as a result of an additional attachment of the modification of an existing attachment sought by another party. If a party makes an attachment to the facility after the completion of the modification, such party shall share proportionately in the cost of the modification if such modification rendered possible the added attachment.

10. Part 20 of Title 47 of the Code of Federal Regulations (C.F.R.) is amended as follows:

PART 20 -- COMMERCIAL MOBILE RADIO SERVICES

11. The authority citation for part 20 is revised to read as follows:

AUTHORITY: Secs. 4, 251-2, 303, and 332, 48 Stat. 1066, 1062, as amended; 47 U.S.C. 154, 251-4, 303, and 332 unless otherwise noted.

12. Section 20.11 is amended by adding paragraph (c) to read as follows:

§ 20.11 Interconnection to facilities of local exchange carriers.

(c) Local exchange carriers and commercial mobile radio service providers shall also comply with applicable provisions of part 51 of this chapter.

13. Part 51 of Title 47 of the Code of Federal Regulations (C.F.R.) is added to read as follows:

PART 51 -- INTER CONNECTION

Subpart A - General information

Sec.

51.1

Basis and purpose.

51.3

Applicability to negotiated agreements.

51.5

Terms and definitions.

Subpart B - Telecommunications carriers

51.100

General duty.

Subpart C - Obligations of all local exchange carriers

- 51.201 **Résale.**
- 51.203 **Number portability.**
- 51.219 **Access to rights of way.**
- 51.221 **Reciprocal compensation.**
- 51.223 **Application of additional requirements.**

Subpart D - Additional obligations of incumbent local exchange carriers

- 51.301 **Duty to negotiate.**
- 51.303 **Preexisting agreements.**
- 51.305 **Interconnection.**
- 51.307 **Duty to provide access on an unbundled basis to network elements.**
- 51.309 **Use of unbundled network elements.**
- 51.311 **Nondiscriminatory access to unbundled network elements.**
- 51.313 **Just, reasonable and nondiscriminatory terms and conditions for the provision of unbundled network elements.**
- 51.315 **Combination of unbundled network elements.**
- 51.317 **Standards for identifying network elements to be made available.**
- 51.319 **Specific unbundling requirements.**
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AUTHORITY: Sections 1-5, 7, 201-05, 218, 225-27, 251-54, 271, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 151-55, 157, 201-05, 218, 225-27, 251-54, 271, unless otherwise noted.

Subpart A - General Information.

§ 51.1 Basis and purpose.

(a) Basis. These rules are issued pursuant to the Communications Act of 1934, as amended.

(b) Purpose. The purpose of these rules is to implement sections 251 and 252 of the Communications Act of 1934, as amended, 47 U.S.C. 251 and 252.

§ 51.3 Applicability to negotiated agreements.

To the extent provided in section 252(e)(2)(A) of the Act, a state commission shall have authority to approve an interconnection agreement adopted by negotiation even if the terms of the agreement do not comply with the requirements of this part.

§ 51.5 Terms and definitions.

Terms used in this part have the following meanings:

Act. The Communications Act of 1934, as amended.

Advanced intelligent network. "Advanced Intelligent Network" is a telecommunications network architecture in which call processing, call routing, and network management are provided by means of centralized databases located at points in an incumbent local exchange carrier's network.

Arbitration, final offer. "Final offer arbitration" is a procedure under which each party submits a final offer concerning the issues subject to arbitration, and the arbitrator selects, without modification, one of the final offers by the parties to the arbitration or portions of both such offers. "Entire package final offer arbitration," is a procedure under which the arbitrator must select, without modification, the entire proposal submitted by one of the parties to the arbitration. "Issue-by-issue final offer arbitration," is a procedure under which the arbitrator must select, without modification, on an issue-by-issue basis, one of the proposals submitted by the parties to the arbitration.

Billing. "Billing" involves the provision of appropriate usage data by one telecommunications carrier to another to facilitate customer billing with attendant acknowledgements and status reports. It also involves the exchange of information between telecommunications carriers to process claims and adjustments.

Commercial Mobile Radio Service (CMRS). "CMRS" has the same meaning as that term is defined in § 20.3 of this chapter.

Commission. "Commission" refers to the Federal Communications Commission.

Directory assistance service. "Directory assistance service" includes, but is not limited to, making available to customers, upon request, information contained in directory listings.

Directory listings. "Directory listings" are any information: (1) identifying the listed names of subscribers of a telecommunications carrier and such subscriber's telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses or classifications; and (2) that the telecommunications carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.

Downstream database. A "downstream database" is a database owned and operated by an individual carrier for the purpose of providing number portability in conjunction with other functions and services.

Equipment necessary for interconnection or access to unbundled network elements. For purposes of section 251(c)(2) of the Act, the equipment used to interconnect with an incumbent local exchange carrier's network for the transmission and routing of telephone exchange service, exchange access service, or both. For the purposes of section 251(c)(3) of the Act, the equipment used to gain access to an incumbent local exchange carrier's unbundled network elements for the provision of a telecommunications service.

Incumbent Local Exchange Carrier (Incumbent LEC). With respect to an area, the local exchange carrier that: (1) on February 8, 1996, provided telephone exchange service in such area; and (2) (i) on February 8, 1996, was deemed to be a member of the exchange carrier association pursuant to § 69.601(b) of this chapter, or (ii) is a person or entity that, on or after February 8, 1996, became a successor or assign of a member described in clause (i) of this paragraph.

Interconnection. "Interconnection" is the linking of two networks for the mutual exchange of traffic. This term does not include the transport and termination of traffic.

Local Exchange Carrier (LEC). A "LEC" is any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c) of the Act, except to the extent that the Commission finds that such service should be included in the definition of the such term.

Maintenance and repair. "Maintenance and repair" involves the exchange of information between telecommunications carriers where one initiates a request for maintenance or repair of existing products and services or unbundled network elements or combination thereof from the other with attendant acknowledgements and status reports.

Meet point. A "meet point" is a point of interconnection between two networks, designated by two telecommunications carriers, at which one carrier's responsibility for service begins and the other carrier's responsibility ends.

Meet point interconnection arrangement. A "meet point interconnection arrangement" is an arrangement by which each telecommunications carrier builds and maintains its network to a meet point.

Network element. A "network element" is a facility or equipment used in the provision of a telecommunications service. Such term also includes, but is not limited to, features, functions, and capabilities that are provided by means of such facility or equipment, including but not limited to, subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.

Operator services. "Operator services" are any automatic or live assistance to a consumer to arrange for billing or completion of a telephone call. Such services include, but are not limited to, busy line verification, emergency interrupt, and operator-assisted directory assistance services.

Physical collocation. "Physical collocation" is an offering by an incumbent LEC that enables a requesting telecommunications carrier to:

- (1) place its own equipment to be used for interconnection or access to unbundled network elements within or upon an incumbent LEC's premises;
- (2) use such equipment to interconnect with an incumbent LEC's network facilities for the transmission and routing of telephone exchange service, exchange access service, or both, or to gain access to an incumbent LEC's unbundled network elements for the provision of a telecommunications service;
- (3) enter those premises, subject to reasonable terms and conditions, to install, maintain, and repair equipment necessary for interconnection or access to unbundled elements; and
- (4) obtain reasonable amounts of space in an incumbent LEC's premises, as provided in this part, for the equipment necessary for interconnection or access to unbundled elements, allocated on a first-come, first-served basis.

Premises. "Premises" refers to an incumbent LEC's central offices and serving wire centers, as well as all buildings or similar structures owned or leased by an incumbent LEC that house its network facilities, and all structures that house incumbent LEC facilities on public rights-of-way, including but not limited to vaults containing loop concentrators or similar structures.

Pre-ordering and ordering. "Pre-ordering and ordering" includes the exchange of information between telecommunications carriers about current or proposed customer products and services or unbundled network elements or some combination thereof.

Provisioning. "Provisioning" involves the exchange of information between telecommunications carriers where one executes a request for a set of products and services or unbundled network elements or combination thereof from the other with attendant acknowledgements and status reports.

Rural telephone company. A "rural telephone company" is a LEC operating entity to the extent that such entity:

- (1) provides common carrier service to any local exchange carrier study area that does not include either:
 - (i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
 - (ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
- (2) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- (3) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- (4) has less than 15 percent of its access lines in communities of more than 50,000 on February 8, 1996.

Service control point. A "service control point" is a computer database in the public switched network which contains information and call processing instructions needed to process and complete a telephone call.

Service creation environment. A "service creation environment" is a computer containing generic call processing software that can be programmed to create new advanced intelligent network call processing services.

Signal transfer point. A "signal transfer point" is a packet switch that acts as a routing hub for a signaling network and transfers messages between various points in and among signaling networks.

State commission. A "state commission" means the commission, board, or official (by whatever name designated) which under the laws of any State has regulatory jurisdiction with respect to intrastate operations of carriers. As referenced in this part, this term may include the Commission if it assumes the responsibility of the state commission, pursuant to section 252(e)(5) of the Act. This term shall also include any person or persons to whom the state commission has delegated its authority under section 251 and 252 of the Act.

State proceeding. A "state proceeding" is any administrative proceeding in which a state commission may approve or prescribe rates, terms, and conditions including, but not limited to, compulsory arbitration pursuant to section 252(b) of the Act, review of a Bell operating company statement of generally available terms pursuant section 252(f) of the Act,

and a proceeding to determine whether to approve or reject an agreement adopted by arbitration pursuant to section 252(e) of the Act.

Technically feasible. Interconnection, access to unbundled network elements, collocation, and other methods of achieving interconnection or access to unbundled network elements at a point in the network shall be deemed technically feasible absent technical or operational concerns that prevent the fulfillment of a request by a telecommunications carrier for such interconnection, access, or methods. A determination of technical feasibility does not include consideration of economic, accounting, billing, space, or site concerns, except that space and site concerns may be considered in circumstances where there is no possibility of expanding the space available. The fact that an incumbent LEC must modify its facilities or equipment to respond to such request does not determine whether satisfying such request is technically feasible. An incumbent LEC that claims that it cannot satisfy such request because of adverse network reliability impacts must prove to the state commission by clear and convincing evidence that such interconnection, access, or methods would result in specific and significant adverse network reliability impacts.

Telecommunications carrier. A "telecommunications carrier" is any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in section 226 of the Act). A telecommunications carrier shall be treated as a common carrier under the Act only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage. This definition includes CMRS providers, interexchange carriers (IXCs) and, to the extent they are acting as telecommunications carriers, companies that provide both telecommunications and information services. Private Mobile Radio Service providers are telecommunications carriers to the extent they provide domestic or international telecommunications for a fee directly to the public.

Virtual collocation. "Virtual collocation" is an offering by an incumbent LEC that enables a requesting telecommunications carrier to:

(1) designate or specify equipment to be used for interconnection or access to unbundled network elements to be located within or upon an incumbent LEC's premises, and dedicated to such telecommunications carrier's use;

(2) use such equipment to interconnect with an incumbent LEC's network facilities for the transmission and routing of telephone exchange service, exchange access service, or both, or for access to an incumbent LEC's unbundled network elements for the provision of a telecommunications service; and

(3) electronically monitor and control its communications channels terminating in such equipment.

Subpart B - Telecommunications Carriers.

§ 51.100 General duty.

(a) Each telecommunications carrier has the duty:

- (1) to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers; and
- (2) to not install network features, functions, or capabilities that do not comply with the guidelines and standards as provided in the Commission's rules or section 255 or 256 of the Act.

(b) A telecommunication carrier that has interconnected or gained access under sections 251(a)(1), 251(c)(2), or 251(c)(3) of the Act, may offer information services through the same arrangement, so long as it is offering telecommunications services through the same arrangement as well.

Subpart C - Obligations of All Local Exchange Carriers.

§ 51.201 Resale.

The rules governing resale of services by an incumbent LEC are set forth in subpart G of this part.

§ 51.203 Number portability.

The rules governing number portability are set forth in part 52, subpart C of this chapter.

§ 51.219 Access to rights of way.

The rules governing access to rights of way are set forth in part 1, subpart J of this chapter.

§ 51.221 Reciprocal compensation.

The rules governing reciprocal compensation are set forth in subpart H of this part.

§ 51.223 Application of additional requirements.

(a) A state may not impose the obligations set forth in section 251(c) of the Act on a LEC that is not classified as an incumbent LEC as defined in section 251(h)(1) of the Act, unless the Commission issues an order declaring that such LECs or classes or categories of LECs should be treated as incumbent LECs.

(b) A state commission, or any other interested party, may request that the Commission issue an order declaring that a particular LEC be treated as an incumbent LEC, or that a class or category of LECs be treated as incumbent LECs, pursuant to section 251(h)(2) of the Act.

Subpart D - Additional Obligations of Incumbent Local Exchange Carriers.

§ 51.301 Duty to negotiate.

(a) An incumbent LEC shall negotiate in good faith the terms and conditions of agreements to fulfill the duties established by sections 251(b) and (c) of the Act.

(b) A requesting telecommunications carrier shall negotiate in good faith the terms and conditions of agreements described in paragraph (a) of this section.

(c) If proven to the Commission, an appropriate state commission, or a court of competent jurisdiction, the following actions or practices, among others, violate the duty to negotiate in good faith:

(1) demanding that another party sign a nondisclosure agreement that precludes such party from providing information requested by the Commission, or a state commission, or in support of a request for arbitration under section 252(b)(2)(B) of the Act;

(2) demanding that a requesting telecommunications carrier attest that an agreement complies with all provisions of the Act, federal regulations, or state law;

(3) refusing to include in an arbitrated or negotiated agreement a provision that permits the agreement to be amended in the future to take into account changes in Commission or state rules;

(4) conditioning negotiation on a requesting telecommunications carrier first obtaining state certifications;

(5) intentionally misleading or coercing another party into reaching an agreement that it would not otherwise have made;

(6) intentionally obstructing or delaying negotiations or resolutions of disputes;

(7) refusing throughout the negotiation process to designate a representative with authority to make binding representations, if such refusal significantly delays resolution of issues; and

(8) refusing to provide information necessary to reach agreement. Such refusal includes, but is not limited to:

- (i) refusal by an incumbent LEC to furnish information about its network that a requesting telecommunications carrier reasonably requires to identify the network elements that it needs in order to serve a particular customer; and
- (ii) refusal by a requesting telecommunications carrier to furnish cost data that would be relevant to setting rates if the parties were in arbitration.

§ 51.303 Preexisting agreements.

(a) All interconnection agreements between an incumbent LEC and a telecommunications carrier, including those negotiated before February 8, 1996, shall be submitted by the parties to the appropriate state commission for approval pursuant to section 252(e) of the Act.

(b) Interconnection agreements negotiated before February 8, 1996, between Class A carriers, as defined by § 32.11(a)(1) of this chapter, shall be filed by the parties with the appropriate state commission no later than June 30, 1997, or such earlier date as the state commission may require.

(c) If a state commission approves a preexisting agreement, it shall be made available to other parties in accordance with section 252(i) of the Act and § 51.809 of this part. A state commission may reject a preexisting agreement on the grounds that it is inconsistent with the public interest, or for other reasons set forth in section 252(e)(2)(A) of the Act.

§ 51.305 Interconnection.

(a) An incumbent LEC shall provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the incumbent LEC's network:

(1) for the transmission and routing of telephone exchange traffic, exchange access traffic, or both;

(2) at any technically feasible point within the incumbent LEC's network including, at a minimum:

- (i) the line-side of a local switch;
- (ii) the trunk-side of a local switch;
- (iii) the trunk interconnection points for a tandem switch;
- (iv) central office cross-connect points;
- (v) out-of-band signaling transfer points necessary to exchange traffic at these points and access call-related databases; and
- (vi) the points of access to unbundled network elements as described in § 51.319 of this part;

(3) that is at a level of quality that is equal to that which the incumbent LEC provides itself, a subsidiary, an affiliate, or any other party, except as provided in paragraph (4) of this section. At a minimum, this requires an incumbent LEC to design interconnection facilities to meet the same technical criteria and service standards that are used within the incumbent LEC's network. This obligation is not limited to a consideration of service quality as perceived by end users, and includes, but is not limited to, service quality as perceived by the requesting telecommunications carrier;

(4) that, if so requested by a telecommunications carrier and to the extent technically feasible, is superior in quality to that provided by the incumbent LEC to itself or to any subsidiary, affiliate, or any other party to which the incumbent LEC provides interconnection. Nothing in this section prohibits an incumbent LEC from providing interconnection that is lesser in quality at the sole request of the requesting telecommunications carrier; and

(5) on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rules including, but not limited to, offering such terms and conditions equally to all requesting telecommunications carriers, and offering such terms and conditions that are no less favorable than the terms and conditions the incumbent LEC provides such interconnection to itself. This includes, but is not limited to, the time within which the incumbent LEC provides such interconnection.

(b) A carrier that requests interconnection solely for the purpose of originating or terminating its interexchange traffic on an incumbent LEC's network and not for the purpose of providing to others telephone exchange service, exchange access service, or both, is not entitled to receive interconnection pursuant to section 251(c)(2) of the Act.

(c) Previous successful interconnection at a particular point in a network, using particular facilities, constitutes substantial evidence that interconnection is technically feasible at that point, or at substantially similar points, in networks employing substantially similar facilities. Adherence to the same interface or protocol standards shall constitute evidence of the substantial similarity of network facilities.

(d) Previous successful interconnection at a particular point in a network at a particular level of quality constitutes substantial evidence that interconnection is technically feasible at that point, or at substantially similar points, at that level of quality.

(e) An incumbent LEC that denies a request for interconnection at a particular point must prove to the state commission that interconnection at that point is not technically feasible.

(f) If technically feasible, an incumbent LEC shall provide two-way trunking upon request.

§ 51.307 Duty to provide access on an unbundled basis to network elements.

- (a) An incumbent LEC shall provide, to a requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rules.
- (b) The duty to provide access to unbundled network elements pursuant to section 251(c)(3) of the Act includes a duty to provide a connection to an unbundled network element independent of any duty to provide interconnection pursuant to this part and section 251(c)(2) of the Act.
- (c) An incumbent LEC shall provide a requesting telecommunications carrier access to an unbundled network element, along with all of the unbundled network element's features, functions, and capabilities, in a manner that allows the requesting telecommunications carrier to provide any telecommunications service that can be offered by means of that network element.
- (d) An incumbent LEC shall provide a requesting telecommunications carrier access to the facility or functionality of a requested network element separate from access to the facility or functionality of other network elements, for a separate charge.

§ 51.309 Use of unbundled network elements.

- (a) An incumbent LEC shall not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends.
- (b) A telecommunications carrier purchasing access to an unbundled network element may use such network element to provide exchange access services to itself in order to provide interexchange services to subscribers.
- (c) A telecommunications carrier purchasing access to an unbundled network facility is entitled to exclusive use of that facility for a period of time, or when purchasing access to a feature, function, or capability of a facility, a telecommunications carrier is entitled to use of that feature, function, or capability for a period of time. A telecommunications carrier's purchase of access to an unbundled network element does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element.

§ 51.311 Nondiscriminatory access to unbundled network elements.

(a) The quality of an unbundled network element, as well as the quality of the access to the unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall be the same for all telecommunications carriers requesting access to that network element, except as provided in paragraph (c) of this section.

(b) Except as provided in paragraph (c) of this section, to the extent technically feasible, the quality of an unbundled network element, as well as the quality of the access to such unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall be at least equal in quality to that which the incumbent LEC provides to itself. If an incumbent LEC fails to meet this requirement, the incumbent LEC must prove to the state commission that it is not technically feasible to provide the requested unbundled network element, or to provide access to the requested unbundled network element, at a level of quality that is equal to that which the incumbent LEC provides to itself.

(c) To the extent technically feasible, the quality of an unbundled network element, as well as the quality of the access to such unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall, upon request, be superior in quality to that which the incumbent LEC provides to itself. If an incumbent LEC fails to meet this requirement, the incumbent LEC must prove to the state commission that it is not technically feasible to provide the requested unbundled network element or access to such unbundled network element at the requested level of quality that is superior to that which the incumbent LEC provides to itself. Nothing in this section prohibits an incumbent LEC from providing interconnection that is lesser in quality at the sole request of the requesting telecommunications carrier.

(d) Previous successful access to an unbundled element at a particular point in a network, using particular facilities, is substantial evidence that access is technically feasible at that point, or at substantially similar points, in networks employing substantially similar facilities. Adherence to the same interface or protocol standards shall constitute evidence of the substantial similarity of network facilities.

(e) Previous successful provision of access to an unbundled element at a particular point in a network at a particular level of quality is substantial evidence that access is technically feasible at that point, or at substantially similar points, at that level of quality.

§ 51.313 Just, reasonable and nondiscriminatory terms and conditions for the provision of unbundled network elements.

(a) The terms and conditions pursuant to which an incumbent LEC provides access to unbundled network elements shall be offered equally to all requesting telecommunications carriers.

(b) Where applicable, the terms and conditions pursuant to which an incumbent LEC offers to provide access to unbundled network elements, including but not limited to, the time within which the incumbent LEC provisions such access to unbundled network elements, shall, at a minimum, be no less favorable to the requesting carrier than the terms and conditions under which the incumbent LEC provides such elements to itself.

(c) An incumbent LEC must provide a carrier purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the incumbent LEC's operations support systems.

§ 51.315 Combination of unbundled network elements.

(a) An incumbent LEC shall provide unbundled network elements in a manner that allows requesting telecommunications carriers to combine such network elements in order to provide a telecommunications service.

(b) Except upon request, an incumbent LEC shall not separate requested network elements that the incumbent LEC currently combines.

(c) Upon request, an incumbent LEC shall perform the functions necessary to combine unbundled network elements in any manner, even if those elements are not ordinarily combined in the incumbent LEC's network, provided that such combination is:

(1) technically feasible; and
(2) would not impair the ability of other carriers to obtain access to unbundled network elements or to interconnect with the incumbent LEC's network.

(d) Upon request, an incumbent LEC shall perform the functions necessary to combine unbundled network elements with elements possessed by the requesting telecommunications carrier in any technically feasible manner.

(e) An incumbent LEC that denies a request to combine elements pursuant to paragraph (c)(1) or paragraph (d) of this section must prove to the state commission that the requested combination is not technically feasible.

(f) An incumbent LEC that denies a request to combine elements pursuant to paragraph (c)(2) of this section must prove to the state commission that the requested combination would impair the ability of other carriers to obtain access to unbundled network elements or to interconnect with the incumbent LEC's network.

§ 51.317 Standards for identifying network elements to be made available.

(a) In determining what network elements should be made available for purposes of section 251(c)(3) of the Act beyond those identified in § 51.319 of this part, a state commission shall first determine whether it is technically feasible for the incumbent LEC to provide access to a network element on an unbundled basis.

(b) If the state commission determines that it is technically feasible for the incumbent LEC to provide access to the network element on an unbundled basis, the state commission may decline to require unbundling of the network element only if:

(1) the state commission concludes that:

(i) the network element is proprietary, or contains proprietary information that will be revealed if the network element is provided on an unbundled basis; and

(ii) a requesting telecommunications carrier could offer the same proposed telecommunications service through the use of other, nonproprietary unbundled network elements within the incumbent LEC's network; or

(2) the state commission concludes that the failure of the incumbent LEC to provide access to the network element would not decrease the quality of, and would not increase the financial or administrative cost of, the telecommunications service a requesting telecommunications carrier seeks to offer, compared with providing that service over other unbundled network elements in the incumbent LEC's network.

§ 51.319 Specific unbundling requirements.

An incumbent LEC shall provide nondiscriminatory access in accordance with § 51.311 of this part and section 251(c)(3) of the Act to the following network elements on an unbundled basis to any requesting telecommunications carrier for the provision of a telecommunications service:

(a) Local Loop. The local loop network element is defined as a transmission facility between a distribution frame (or its equivalent) in an incumbent LEC central office and an end user customer premises;

(b) Network Interface Device.

(1) The network interface device network element is defined as a cross-connect device used to connect loop facilities to inside wiring.

(2) An incumbent LEC shall permit a requesting telecommunications carrier to connect its own local loops to the inside wiring of premises through the incumbent LEC's network interface device. The requesting telecommunications carrier shall establish this

(d) Interoffice Transmission Facilities.

(1) Interoffice transmission facilities are defined as incumbent LEC transmission facilities dedicated to a particular customer or carrier, or shared by more than one customer or carrier, that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers.

(2) The incumbent LEC shall: $\frac{2}{3}$

(i) provide a requesting telecommunications carrier exclusive use of interoffice transmission facilities dedicated to a particular customer or carrier, or use of the features, functions, and capabilities of interoffice transmission facilities shared by more than one customer or carrier;

(ii) provide all technically feasible transmission facilities, features, functions, and capabilities that the requesting telecommunications carrier could use to provide telecommunications services;

(iii) permit, to the extent technically feasible, a requesting telecommunications carrier to connect such interoffice facilities to equipment designated by the requesting telecommunications carrier, including, but not limited to, the requesting telecommunications carrier's collocated facilities; and

(iv) permit, to the extent technically feasible, a requesting telecommunications carrier to obtain the functionality provided by the incumbent LEC's digital cross-connect systems in the same manner that the incumbent LEC provides such functionality to interexchange carriers;

(e) Signaling Networks and Call-Related Databases.

(1) Signaling Networks.

(i) Signaling networks include, but are not limited to, signaling links and signaling transfer points.

(ii) When a requesting telecommunications carrier purchases unbundled switching capability from an incumbent LEC, the incumbent LEC shall provide access to its signaling network from that switch in the same manner in which it obtains such access itself.

(iii) An incumbent LEC shall provide a requesting telecommunications carrier with its own switching facilities access to the incumbent LEC's signaling network for each of the requesting telecommunications carrier's switches. This connection shall be made

in the same manner as an incumbent LEC connects one of its own switches to a signal transfer point.

(iv) Under this paragraph, an incumbent LEC is not required to unbundle those signaling links that connect service control points to switching transfer points or to permit a requesting telecommunications carrier to link its own signal transfer points directly to the incumbent LEC's switch or call-related databases;

(2) Call-Related Databases.

(i) Call-related databases are defined as databases, other than operations support systems, that are used in signaling networks for billing and collection or the transmission, routing, or other provision of a telecommunications service.

(ii) For purposes of switch query and database response through a signaling network, an incumbent LEC shall provide access to its call-related databases, including, but not limited to, the Line Information Database, Toll Free Calling database, downstream number portability databases, and Advanced Intelligent Network databases, by means of physical access at the signaling transfer point linked to the unbundled database.

(iii) An incumbent LEC shall allow a requesting telecommunications carrier that has purchased an incumbent LEC's local switching capability to use the incumbent LEC's service control point element in the same manner, and via the same signaling links, as the incumbent LEC itself.

(iv) An incumbent LEC shall allow a requesting telecommunications carrier that has deployed its own switch, and has linked that switch to an incumbent LEC's signaling system, to gain access to the incumbent LEC's service control point in a manner that allows the requesting carrier to provide any call-related, database-supported services to customers served by the requesting telecommunications carrier's switch.

(v) A state commission shall consider whether mechanisms mediating access to an incumbent LEC's Advanced Intelligent Network service control points are necessary, and if so, whether they will adequately safeguard against intentional or unintentional misuse of the incumbent LEC's Advanced Intelligent Network facilities.

(vi) An incumbent LEC shall provide a requesting telecommunications carrier with access to call-related databases in a manner that complies with section 222 of the Act;

(3) Service Management Systems.

(A) A service management system is defined as a computer database or system not part of the public switched network that, among other things:

(1) interconnects to the service control point and sends to that service control point the information and call processing instructions needed for a network switch to process and complete a telephone call; and

(2) provides telecommunications carriers with the capability of entering and storing data regarding the processing and completing of a telephone call.

(B) An incumbent LEC shall provide a requesting telecommunications carrier with the information necessary to enter correctly, or format for entry, the information relevant for input into the particular incumbent LEC service management system.

(C) An incumbent LEC shall provide a requesting telecommunications carrier the same access to design, create, test, and deploy Advanced Intelligent Network-based services at the service management system, through a service creation environment, that the incumbent LEC provides to itself.

(D) A state commission shall consider whether mechanisms mediating access to Advanced Intelligent Network service management systems and service creation environments are necessary, and if so, whether they will adequately safeguard against intentional or unintentional misuse of the incumbent LEC's Advanced Intelligent Network facilities.

(E) An incumbent LEC shall provide a requesting telecommunications carrier access to service management systems in a manner that complies with section 222 of the Act;

(f) Operations Support Systems Functions.

(1) Operations support systems functions consist of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's databases and information.

(2) An incumbent LEC that does not currently comply with this requirement shall do so as expeditiously as possible, but, in any event, no later than January 1, 1997; and

(g) Operator Services and Directory Assistance. An incumbent LEC shall provide access to operator service and directory assistance facilities where technically feasible.

§ 51.321 **Methods of obtaining interconnection and access to unbundled elements under section 251 of the Act.**

(a) Except as provided in paragraph (e) of this section, an incumbent LEC shall provide, on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the requirements of this part, any technically feasible method of obtaining

interconnection or access to unbundled network elements at a particular point upon a request by a telecommunications carrier.

(b) Technically feasible methods of obtaining interconnection or access to unbundled network elements include, but are not limited to:

- (1) physical collocation and virtual collocation at the premises of an incumbent LEC; and
- (2) meet point interconnection arrangements.

(c) A previously successful method of obtaining interconnection or access to unbundled network elements at a particular premises or point on an incumbent LEC's network is substantial evidence that such method is technically feasible in the case of substantially similar network premises or points.

(d) An incumbent LEC that denies a request for a particular method of obtaining interconnection or access to unbundled network elements on the incumbent LEC's network must prove to the state commission that the requested method of obtaining interconnection or access to unbundled network elements at that point is not technically feasible.

(e) An incumbent LEC shall not be required to provide for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the incumbent LEC's premises if it demonstrates to the state commission that physical collocation is not practical for technical reasons or because of space limitations. In such cases, the incumbent LEC shall be required to provide virtual collocation, except at points where the incumbent LEC proves to the state commission that virtual collocation is not technically feasible. If virtual collocation is not technically feasible, the incumbent LEC shall provide other methods of interconnection and access to unbundled network elements to the extent technically feasible.

(f) An incumbent LEC shall submit to the state commission detailed floor plans or diagrams of any premises where the incumbent LEC claims that physical collocation is not practical because of space limitations.

(g) An incumbent LEC that is classified as a Class A company under § 32.11 of this chapter and that is not a National Exchange Carrier Association interstate tariff participant as provided in part 69, subpart G, shall continue to provide expanded interconnection service pursuant to interstate tariff in accordance with §§ 64.1401, 64.1402, 69.121 of this chapter, and the Commission's other requirements.

§ 51.323 Standards for physical collocation and virtual collocation.

(a) An incumbent LEC shall provide physical collocation and virtual collocation to requesting telecommunications carriers.

(b) An incumbent LEC shall permit the collocation of any type of equipment used for interconnection or access to unbundled network elements. Whenever an incumbent LEC objects to collocation of equipment by a requesting telecommunications carrier for purposes within the scope of section 251(c)(6) of the Act, the incumbent LEC must prove to the state commission that the equipment will not be actually used by the telecommunications carrier for the purpose of obtaining interconnection or access to unbundled network elements. Equipment used for interconnection and access to unbundled network elements includes, but is not limited to:

(1) transmission equipment including, but not limited to, optical terminating equipment and multiplexers; and

(2) equipment being collocated to terminate basic transmission facilities pursuant to §§ 64.1401 and 64.1402 of this chapter as of August 1, 1996.

(c) Nothing in this section requires an incumbent LEC to permit collocation of switching equipment or equipment used to provide enhanced services.

(d) When an incumbent LEC provides physical collocation, virtual collocation, or both, the incumbent LEC shall:

(1) provide an interconnection point or points, physically accessible by both the incumbent LEC and the collocating telecommunications carrier, at which the fiber optic cable carrying an interconnector's circuits can enter the incumbent LEC's premises, provided that the incumbent LEC shall designate interconnection points as close as reasonably possible to its premises;

(2) provide at least two such interconnection points at each incumbent LEC premises at which there are at least two entry points for the incumbent LEC's cable facilities, and at which space is available for new facilities in at least two of those entry points;

(3) permit interconnection of copper or coaxial cable if such interconnection is first approved by the state commission; and

(4) permit physical collocation of microwave transmission facilities except where such collocation is not practical for technical reasons or because of space limitations, in which case virtual collocation of such facilities is required where technically feasible.

(e) When providing virtual collocation, an incumbent LEC shall, at a minimum, install, maintain, and repair collocated equipment identified in paragraph (b) of this section within the same time periods and with failure rates that are no greater than those that apply to the performance of similar functions for comparable equipment of the incumbent LEC itself.

(f) An incumbent LEC shall allocate space for the collocation of the equipment identified in paragraph (b) of this section in accordance with the following requirements:

(1) an incumbent LEC shall make space available within or on its premises to requesting telecommunications carriers on a first-come, first-served basis, provided, however, that the incumbent LEC shall not be required to lease or construct additional space to provide for physical collocation when existing space has been exhausted;

(2) to the extent possible, an incumbent LEC shall make contiguous space available to requesting telecommunications carriers that seek to expand their existing collocation space;

(3) when planning renovations of existing facilities or constructing or leasing new facilities, an incumbent LEC shall take into account projected demand for collocation of equipment;

(4) an incumbent LEC may retain a limited amount of floor space for its own specific future uses, provided, however, that the incumbent LEC may not reserve space for future use on terms more favorable than those that apply to other telecommunications carriers seeking to reserve collocation space for their own future use;

(5) an incumbent LEC shall relinquish any space held for future use before denying a request for virtual collocation on the grounds of space limitations, unless the incumbent LEC proves to the state commission that virtual collocation at that point is not technically feasible; and

(6) an incumbent LEC may impose reasonable restrictions on the warehousing of unused space by collocating telecommunications carriers, provided, however, that the incumbent LEC shall not set maximum space limitations applicable to such carriers unless the incumbent LEC proves to the state commission that space constraints make such restrictions necessary.

(g) An incumbent LEC shall permit collocating telecommunications carriers to collocate equipment and connect such equipment to unbundled network transmission elements obtained from the incumbent LEC, and shall not require such telecommunications carriers to bring their own transmission facilities to the incumbent LEC's premises in which they seek to collocate equipment.

(h) An incumbent LEC shall permit a collocating telecommunications carrier to interconnect its network with that of another collocating telecommunications carrier at the incumbent LEC's premises and to connect its collocated equipment to the collocated equipment of another telecommunications carrier within the same premises provided that the collocated equipment is also used for interconnection with the incumbent LEC or for access to the incumbent LEC's unbundled network elements.

(1) An incumbent LEC shall provide the connection between the equipment in the collocated spaces of two or more telecommunications carriers, unless the incumbent LEC permits one or more of the collocating parties to provide this connection for themselves; and

(2) An incumbent LEC is not required to permit collocating telecommunications carriers to place their own connecting transmission facilities within the incumbent LEC's premises outside of the actual physical collocation space.

(i) An incumbent LEC may require reasonable security arrangements to separate a collocating telecommunications carrier's space from the incumbent LEC's facilities.

(j) An incumbent LEC shall permit a collocating telecommunications carrier to subcontract the construction of physical collocation arrangements with contractors approved by

the incumbent LEC, provided, however, that the incumbent LEC shall not unreasonably withhold approval of contractors. Approval by an incumbent LEC shall be based on the same criteria it uses in approving contractors for its own purposes.

Subpart E - Exemptions, Suspensions, and Modifications of Requirements of Section 251 of the Act.

§ 51.401 State authority.

A state commission shall determine whether a telephone company is entitled, pursuant to section 251(f) of the Act, to exemption from, or suspension or modification of, the requirements of section 251 of the Act. Such determinations shall be made on a case-by-case basis.

§ 51.403 Carriers eligible for suspension or modification under section 251(f)(2) of the Act.

A LEC is not eligible for a suspension or modification of the requirements of section 251(b) or section 251(c) of the Act pursuant to section 251(f)(2) of the Act if such LEC, at the holding company level, has two percent or more of the subscriber lines installed in the aggregate nationwide.

§ 51.405 Burden of proof.

(a) Upon receipt of a bona fide request for interconnection, services, or access to unbundled network elements, a rural telephone company must prove to the state commission that the rural telephone company should be entitled, pursuant to section 251(f)(1) of the Act, to continued exemption from the requirements of section 251(c) of the Act.

(b) A LEC with fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide must prove to the state commission, pursuant to section 251(f)(2) of the Act, that it is entitled to a suspension or modification of the application of a requirement or requirements of section 251(b) or 251(c) of the Act.

(c) In order to justify continued exemption under section 251(f)(1) of the Act once a bona fide request has been made, an incumbent LEC must offer evidence that the application of the requirements of section 251(c) of the Act would be likely to cause undue economic burden beyond the economic burden that is typically associated with efficient competitive entry.

(d) In order to justify a suspension or modification under section 251(f)(2) of the Act, a LEC must offer evidence that the application of section 251(b) or section 251(c) of the Act

would be likely to cause undue economic burden beyond the economic burden that is typically associated with efficient competitive entry.

Subpart F - Pricing of Elements.

§ 51.501 Scope.

(a) The rules in this subpart apply to the pricing of network elements, interconnection, and methods of obtaining access to unbundled elements, including physical collocation and virtual collocation.

(b) As used in this subpart, the term "element" includes network elements, interconnection, and methods of obtaining interconnection and access to unbundled elements.

§ 51.503 General pricing standard.

(a) An incumbent LEC shall offer elements to requesting telecommunications carriers at rates, terms, and conditions that are just, reasonable, and nondiscriminatory.

(b) An incumbent LEC's rates for each element it offers shall comply with the rate structure rules set forth in §§ 51.507 and 51.509 of this part, and shall be established, at the election of the state commission—

- (1) pursuant to the forward-looking economic cost-based pricing methodology set forth in §§ 51.505 and 51.511 of this part; or
- (2) consistent with the proxy ceilings and ranges set forth in § 51.513 of this part.

(c) The rates that an incumbent LEC assesses for elements shall not vary on the basis of the class of customers served by the requesting carrier, or on the type of services that the requesting carrier purchasing such elements uses them to provide.

§ 51.505 Forward-looking economic cost.

- (a) In general. The forward-looking economic cost of an element equals the sum of:
- (1) the total element long-run incremental cost of the element, as described in paragraph (b); and
 - (2) a reasonable allocation of forward-looking common costs, as described in paragraph (c).

(b) Total element long-run incremental cost. The total element long-run incremental cost of an element is the forward-looking cost over the long run of the total quantity of the facilities and functions that are directly attributable to, or reasonably identifiable as

incremental to, such element, calculated taking as a given the incumbent LEC's provision of other elements.

(1) *Efficient network configuration.* The total element long-run incremental cost of an element should be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost network configuration, given the existing location of the incumbent LEC's wire centers.

(2) *Forward-looking cost of capital.* The forward-looking cost of capital shall be used in calculating the total element long-run incremental cost of an element.

(3) *Depreciation rates.* The depreciation rates used in calculating forward-looking economic costs of elements shall be economic depreciation rates.

(c) *Reasonable allocation of forward-looking common costs.*

(1) *Forward-looking common costs.* Forward-looking common costs are economic costs efficiently incurred in providing a group of elements or services (which may include all elements or services provided by the incumbent LEC) that cannot be attributed directly to individual elements or services.

(2) *Reasonable allocation.*

(A) The sum of a reasonable allocation of forward-looking common costs and the total element long-run incremental cost of an element shall not exceed the stand-alone costs associated with the element. In this context, stand-alone costs are the total forward-looking costs, including corporate costs, that would be incurred to produce a given element if that element were provided by an efficient firm that produced nothing but the given element.

(B) The sum of the allocation of forward-looking common costs for all elements and services shall equal the total forward-looking common costs, exclusive of retail costs, attributable to operating the incumbent LEC's total network, so as to provide all the elements and services offered.

(d) *Factors that may not be considered.* The following factors shall not be considered in a calculation of the forward-looking economic cost of an element:

(1) *Embedded costs.* Embedded costs are the costs that the incumbent LEC incurred in the past and that are recorded in the incumbent LEC's books of accounts.

(2) *Retail costs.* Retail costs include the costs of marketing, billing, collection, and other costs associated with offering retail telecommunications services to subscribers who are not telecommunications carriers, described in § 51.609 of this part.

(3) *Opportunity cost.* Opportunity costs include the revenues that the incumbent LEC would have received for the sale of telecommunications services, in the absence of competition from telecommunications carrier that purchase elements.

(4) *Revenues to subsidize other services.* Revenues to subsidize other services include revenues associated with elements or telecommunications service offerings other than the element for which a rate is being established.

(e) *Cost study requirements.* An incumbent LEC must prove to the state commission that the rates for each element it offers do not exceed the forward-looking economic cost per

unit of providing the element, using a cost study that complies with the methodology set forth in this section and § 51.511 of this part.

(1) A state commission may set a rate outside the proxy ranges or above the proxy ceilings described in § 51.513 of this part only if that commission has given full and fair effect to the economic cost based pricing methodology described in this section and § 51.511 of this part in a state proceeding that meets the requirements of paragraph (e)(2) of this section.

(2) Any state proceeding conducted pursuant to this section shall provide notice and an opportunity for comment to affected parties and shall result in the creation of a written factual record that is sufficient for purposes of review. The record of any state proceeding in which a state commission considers a cost study for purposes of establishing rates under this section shall include any such cost study.

§ 51.507 General rate structure standard.

(a) Element rates shall be structured consistently with the manner in which the costs of providing the elements are incurred.

(b) The costs of dedicated facilities shall be recovered through flat-rated charges.

(c) The costs of shared facilities shall be recovered in a manner that efficiently apportions costs among users. Costs of shared facilities may be apportioned either through usage-sensitive charges or capacity-based flat-rated charges, if the state commission finds that such rates reasonably reflect the costs imposed by the various users.

(d) Recurring costs shall be recovered through recurring charges, unless an incumbent LEC proves to a state commission that such recurring costs are de minimis. Recurring costs shall be considered de minimis when the costs of administering the recurring charge would be excessive in relation to the amount of the recurring costs.

(e) State commissions may, where reasonable, require incumbent LECs to recover nonrecurring costs through recurring charges over a reasonable period of time. Nonrecurring charges shall be allocated efficiently among requesting telecommunications carriers, and shall not permit an incumbent LEC to recover more than the total forward-looking economic cost of providing the applicable element.

(f) State commissions shall establish different rates for elements in at least three defined geographic areas within the state to reflect geographic cost differences.

(1) To establish geographically-deaveraged rates, state commissions may use existing density-related zone pricing plans described in § 69.123 of this chapter, or other such cost-related zone plans established pursuant to state law.

(2) In states not using such existing plans, state commissions must create a minimum of three cost-related rate zones.

§ 51.509 Rate structure standards for specific elements.

In addition to the general rules set forth in § 51.507 of this part, rates for specific elements shall comply with the following rate structure rules.

- (a) Local loops. Loop costs shall be recovered through flat-rated charges.
- (b) Local switching. Local switching costs shall be recovered through a combination of a flat-rated charge for line ports and one or more flat-rated or per-minute usage charges for the switching matrix and for trunk ports.
- (c) Dedicated transmission links. Dedicated transmission link costs shall be recovered through flat-rated charges.
- (d) Shared transmission facilities between tandem switches and end offices. The costs of shared transmission facilities between tandem switches and end offices may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.
- (e) Tandem switching. Tandem switching costs may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.
- (f) Signaling and call-related database services. Signaling and call-related database service costs shall be usage-sensitive, based on either the number of queries or the number of messages, with the exception of the dedicated circuits known as signaling links, the cost of which shall be recovered through flat-rated charges.
- (g) Collocation. Collocation costs shall be recovered consistent with the rate structure policies established in the *Expanded Interconnection* proceeding, CC Docket No. 91-141.

§ 51.511 Forward-looking economic cost per unit.

- (a) The forward-looking economic cost per unit of an element equals the forward-looking economic cost of the element, as defined in § 51.505 of this part, divided by a reasonable projection of the sum of the total number of units of the element that the incumbent LEC is likely to provide to requesting telecommunications carriers and the total number of units of the element that the incumbent LEC is likely to use in offering its own services, during a reasonable measuring period.
- (b) (1) With respect to elements that an incumbent LEC offers on a flat-rate basis, the number of units is defined as the discrete number of elements (e.g., local loops or local switch ports) that the incumbent LEC uses or provides.

(2) With respect to elements that an incumbent LEC offers on a usage-sensitive basis, the number of units is defined as the unit of measurement of the usage (e.g., minutes of use or call-related database queries) of the element.

§ 51.513 Proxies for forward-looking economic cost.

(a) A state commission may determine that the cost information available to it with respect to one or more elements does not support the adoption of a rate or rates that are consistent with the requirements set forth in §§ 51.505 and 51.511 of this part. In that event, the state commission may establish a rate for an element that is consistent with the proxies specified in this section, provided that:

(1) any rate established through use of such proxies shall be superseded once the state commission has completed review of a cost study that complies with the forward-looking economic cost based pricing methodology described in §§ 51.505 and 51.511 of this part, and has concluded that such study is a reasonable basis for establishing element rates; and

(2) the state commission sets forth in writing a reasonable basis for its selection of a particular rate for the element.

(b) The constraints on proxy-based rates described in this section apply on a geographically averaged basis. For purposes of determining whether geographically deaveraged rates for elements comply with the provisions of this section, a geographically averaged proxy-based rate shall be computed based on the weighted average of the actual, geographically deaveraged rates that apply in separate geographic areas in a state.

(c) Proxies for specific elements.

(1) Local loops. For each state listed below, the proxy-based monthly rate for unbundled local loops, on a statewide weighted average basis, shall be no greater than the figures listed in the table below. (The Commission has not established a default proxy ceiling for loop rates in Alaska).

TABLE A

| State | Proxy Ceiling | State | Proxy Ceiling |
|----------------------|---------------|----------------|---------------|
| Alabama | \$17.25 | Nebraska | \$18.05 |
| Arizona | \$12.85 | Nevada | \$18.95 |
| Arkansas | \$21.18 | New Hampshire | \$16.00 |
| California | \$11.10 | New Jersey | \$12.47 |
| Colorado | \$14.97 | New Mexico | \$18.66 |
| Connecticut | \$13.23 | New York | \$11.75 |
| Delaware | \$13.24 | North Carolina | \$16.71 |
| District of Columbia | \$10.81 | North Dakota | \$25.36 |
| Florida | \$13.68 | Ohio | \$15.73 |
| Georgia | \$16.09 | Oklahoma | \$17.63 |
| Hawaii | \$15.27 | Oregon | \$15.44 |
| Idaho | \$20.16 | Pennsylvania | \$12.30 |
| Illinois | \$13.12 | Puerto Rico | \$12.47 |
| Indiana | \$13.29 | Rhode Island | \$11.48 |
| Iowa | \$15.94 | South Carolina | \$17.07 |
| Kansas | \$19.85 | South Dakota | \$25.33 |
| Kentucky | \$16.70 | Tennessee | \$17.41 |
| Louisiana | \$16.98 | Texas | \$15.49 |
| Maine | \$18.69 | Utah | \$15.12 |
| Maryland | \$13.36 | Vermont | \$20.13 |
| Massachusetts | \$9.83 | Virginia | \$14.13 |
| Michigan | \$15.27 | Washington | \$13.37 |
| Minnesota | \$14.81 | West Virginia | \$19.25 |
| Mississippi | \$21.97 | Wisconsin | \$15.94 |
| Missouri | \$18.32 | Wyoming | \$25.11 |
| Montana | \$25.18 | | |

(2) Local switching. The blended proxy-based rate for unbundled local switching shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 cents (\$0.002) per minute, except that, where a state commission has, before August 8, 1996, established a rate less than or equal to 0.5 cents (\$0.005) per minute, that rate may be retained pending completion of a forward-looking economic cost study. The blended rate for unbundled local switching shall be calculated as the sum of the following:

(A) the applicable flat-rated charges for subelements associated with unbundled local switching, such as line ports, divided by the projected average minutes of use per flat-rated subelement; and

(B) the applicable usage-sensitive charges for subelements associated with unbundled local switching, such as switching and trunk ports. A weighted average of such charges shall be used in appropriate circumstances, such as when peak and off-peak charges are used.

(3) Dedicated transmission links. The proxy-based rates for dedicated transmission links shall be no greater than the incumbent LEC's tariffed interstate charges for comparable entrance facilities or direct-trunked transport offerings, as described in §§ 69.110 and 69.112 of this chapter.

(4) Shared transmission facilities between tandem switches and end offices. The proxy-based rates for shared transmission facilities between tandem switches and end offices shall be no greater than the weighted per-minute equivalent of DS1 and DS3 interoffice dedicated transmission link rates that reflects the relative number of DS1 and DS3 circuits used in the tandem to end office links (or a surrogate based on the proportion of copper and fiber facilities in the interoffice network), calculated using a loading factor of 9,000 minutes per month per voice-grade circuit, as described in § 69.112 of this chapter.

(5) Tandem switching. The proxy-based rate for tandem switching shall be no greater than 0.15 cents (\$0.0015) per minute of use.

(6) Collocation. To the extent that the incumbent LEC offers a comparable form of collocation in its interstate expanded interconnection tariffs, as described in §§ 64.1401 and 69.121 of this chapter, the proxy-based rates for collocation shall be no greater than the effective rates for equivalent services in the interstate expanded interconnection tariff. To the extent that the incumbent LEC does not offer a comparable form of collocation in its interstate expanded interconnection tariffs, a state commission may, in its discretion, establish a proxy-based rate, provided that the state commission sets forth in writing a reasonable basis for concluding that its rate would approximate the result of a forward-looking economic cost study, as described in § 51.505 of this part.

(7) Signaling, call-related database, and other elements. To the extent that the incumbent LEC has established rates for offerings comparable to other elements in its interstate access tariffs, and has provided cost support for those rates pursuant to § 61.49(h) of this chapter, the proxy-based rates for those elements shall be no greater than the effective rates for equivalent services in the interstate access tariffs. In other cases, the proxy-based rate shall be no greater than a rate based on direct costs plus a reasonable allocation of overhead loadings, pursuant to § 61.49(h) of this chapter.

§ 51.515 Application of access charges.

(a) Neither the interstate access charges described in part 69 nor comparable intrastate access charges shall be assessed by an incumbent LEC on purchasers of elements that offer telephone exchange or exchange access services.

(b) Notwithstanding §§ 51.505, 51.511, and 51.513(d)(2) of this part and paragraph (a) of this section, an incumbent LEC may assess upon telecommunications carriers that purchase unbundled local switching elements, as described in § 51.319(c)(1) of this part, for interstate minutes of use traversing such unbundled local switching elements, the carrier

common line charge described in § 69.105 of this chapter, and a charge equal to 75% of the interconnection charge described in § 69.124 of this chapter, only until the earliest of the following, and not thereafter:

(1) June 30, 1997;

(2) the later of the effective date of a final Commission decision in CC Docket No. 96-45, *Federal-State Joint Board on Universal Service*, or the effective date of a final Commission decision in a proceeding to consider reform of the interstate access charges described in part 69; or

(3) with respect to a Bell operating company only, the date on which that company is authorized to offer in-region interLATA service in a state pursuant to section 271 of the Act. The end date for Bell operating companies that are authorized to offer interLATA service shall apply only to the recovery of access charges in those states in which the Bell operating company is authorized to offer such service.

(c) Notwithstanding §§ 51.505, 51.511, and 51.513(d)(2) of this part and paragraph

(a) of this section, an incumbent LEC may assess upon telecommunications carriers that purchase unbundled local switching elements, as described in § 51.319(c)(1) of this part, for intrastate toll minutes of use traversing such unbundled local switching elements, intrastate access charges comparable to those listed in paragraph (b) and any explicit intrastate universal service mechanism based on access charges, only until the earliest of the following, and no thereafter:

(1) June 30, 1997;

(2) the effective date of a state commission decision that an incumbent LEC may not assess such charges; or

(3) with respect to a Bell operating company only, the date on which that company is authorized to offer in-region interLATA service in the state pursuant to section 271 of the Act. The end date for Bell operating companies that are authorized to offer interLATA service shall apply only to the recovery of access charges in those states in which the Bell operating company is authorized to offer such service.

Subpart G - Resale.

§ 51.601 Scope of resale rules.

The provisions of this subpart govern the terms and conditions under which LECs offer telecommunications services to requesting telecommunications carriers for resale.

§ 51.603 Resale obligation of all local exchange carriers.

(a) A LEC shall make its telecommunications services available for resale to requesting telecommunications carriers on terms and conditions that are reasonable and non-discriminatory.

(b) A LEC must provide services to requesting telecommunications carriers for resale that are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that the LEC provides these services to others, including end users.

§ 51.605 Additional obligations of incumbent local exchange carriers.

(a) An incumbent LEC shall offer to any requesting telecommunications carrier any telecommunications service that the incumbent LEC offers on a retail basis to subscribers that are not telecommunications carriers for resale at wholesale rates that are at the election of the state commission--

(1) consistent with the avoided cost methodology described in §§ 51.607 and 51.609 of this part; or

(2) interim wholesale rates, pursuant to § 51.611 of this part.

(b) Except as provided in § 51.613 of this part, an incumbent LEC shall not impose restrictions on the resale by a requesting carrier of telecommunications services offered by the incumbent LEC.

§ 51.607 Wholesale pricing standard.

(a) The wholesale rate that an incumbent LEC may charge for a telecommunications service provided for resale to other telecommunications carriers shall equal the incumbent LEC's existing retail rate for the telecommunications service, less avoided retail costs, as described in § 51.609 of this part.

(b) For purposes of this subpart, exchange access services, as defined in section 3 of the Act, shall not be considered to be telecommunications services that incumbent LECs must make available for resale at wholesale rates to requesting telecommunications carriers.

§ 51.609 Determination of avoided retail costs.

(a) Except as provided in § 51.611 of this part, the amount of avoided retail costs shall be determined on the basis of a cost study that complies with the requirements of this section.

(b) Avoided retail costs shall be those costs that reasonably can be avoided when an incumbent LEC provides a telecommunications service for resale at wholesale rates to a requesting carrier.

(c) For incumbent LECs that are designated as Class A companies under § 32.11 of this chapter, except as provided in paragraph (d), avoided retail costs shall:

(1) include, as direct costs, the costs recorded in USOA accounts 6611 (product management), 6612 (sales), 6613 (product advertising), 6621 (call completion services), 6622

(number services), and 6623 (customer services) (§§ 32.6611, 32.6612, 32.6613, 32.6621, 32.6622, and 32.6623);

(2) include, as indirect costs, a portion of the costs recorded in USOA accounts 6121-6124 (general support expenses), 6612, 6711, 6721-6728 (corporate operations expenses), and 5301 (telecommunications uncollectibles) (§§ 32.6121-32.6124, 32.6612, 32.6711, 32.6721-32.6728, and 32.5301); and

(3) not include plant-specific expenses and plant non-specific expenses, other than general support expenses (§§ 32.6110-32.6116, 32.6210-32.6565).

(d) Costs included in accounts 6611-6613 and 6621-6623 described in paragraph (c) (§§ 32.6611-32.6613 and 32.6621-32.6623) may be included in wholesale rates only to the extent that the incumbent LEC proves to a state commission that specific costs in these accounts will be incurred and are not avoidable with respect to services sold at wholesale, or that specific costs in these accounts are not included in the retail prices of resold services. Costs included in accounts 6110-6116 and 6210-6565 described in paragraph (c) (§§ 32.6110-32.6116, 32.6210-32.6565) may be treated as avoided retail costs, and excluded from wholesale rates, only to the extent that a party proves to a state commission that specific costs in these accounts can reasonably be avoided when an incumbent LEC provides a telecommunications service for resale to a requesting carrier.

(e) For incumbent LECs that are designated as Class B companies under § 32.11 of this chapter and that record information in summary accounts instead of specific USOA accounts, the entire relevant summary accounts may be used in lieu of the specific USOA accounts listed in paragraphs (c) and (d).

§ 51.611 Interim wholesale rates.

(a) If a state commission cannot, based on the information available to it, establish a wholesale rate using the methodology prescribed in § 51.609 of this part, then the state commission may elect to establish an interim wholesale rate as described in paragraph (b) of this section.

(b) The state commission may establish interim wholesale rates that are at least 17 percent, and no more than 25 percent, below the incumbent LEC's existing retail rates, and shall articulate the basis for selecting a particular discount rate. The same discount percentage rate shall be used to establish interim wholesale rates for each telecommunications service.

(c) A state commission that establishes interim wholesale rates shall, within a reasonable period of time thereafter, establish wholesale rates on the basis of an avoided retail cost study that complies with § 51.609 of this part.

§ 51.613 Restrictions on resale.

(a) Notwithstanding § 51.605(b) of this part, the following types of restrictions on resale may be imposed:

(1) Cross-class selling. A state commission may permit an incumbent LEC to prohibit a requesting telecommunications carrier that purchases at wholesale rates for resale, telecommunications services that the incumbent LEC makes available only to residential customers or to a limited class of residential customers, from offering such services to classes of customers that are not eligible to subscribe to such services from the incumbent LEC.

(2) Short term promotions. An incumbent LEC shall apply the wholesale discount to the ordinary rate for a retail service rather than a special promotional rate only if:

(A) such promotions involve rates that will be in effect for no more than 90 days; and

(B) the incumbent LEC does not use such promotional offerings to evade the wholesale rate obligation, for example by making available a sequential series of 90-day promotional rates.

(b) With respect to any restrictions on resale not permitted under paragraph (a), an incumbent LEC may impose a restriction only if it proves to the state commission that the restriction is reasonable and nondiscriminatory.

(c) Branding. Where operator, call completion, or directory assistance service is part of the service or service package an incumbent LEC offers for resale, failure by an incumbent LEC to comply with reseller unbranding or rebranding requests shall constitute a restriction on resale.

(1) An incumbent LEC may impose such a restriction only if it proves to the state commission that the restriction is reasonable and nondiscriminatory, such as by proving to a state commission that the incumbent LEC lacks the capability to comply with unbranding or rebranding requests.

(2) For purposes of this subpart, unbranding or rebranding shall mean that operator, call completion, or directory assistance services are offered in such a manner that an incumbent LEC's brand name or other identifying information is not identified to subscribers, or that such services are offered in such a manner that identifies to subscribers the requesting carrier's brand name or other identifying information.

§ 51.615 Withdrawal of services.

When an incumbent LEC makes a telecommunications service available only to a limited group of customers that have purchased such a service in the past, the incumbent LEC must

also make such a service available at wholesale rates to requesting carriers to offer on a resale basis to the same limited group of customers that have purchased such a service in the past.

§ 51.617 Assessment of end user common line charge on resellers.

(a) Notwithstanding the provision in § 69.104(a) of this chapter that the end user common line charge be assessed upon end users, an incumbent LEC shall assess this charge, and the charge for changing the designated primary interexchange carrier, upon requesting carriers that purchase telephone exchange service for resale. The specific end user common line charge to be assessed will depend upon the identity of the end user served by the requesting carrier.

(b) When an incumbent LEC provides telephone exchange service to a requesting carrier at wholesale rates for resale, the incumbent LEC shall continue to assess the interstate access charges provided in part 69, other than the end user common line charge, upon interexchange carriers that use the incumbent LEC's facilities to provide interstate or international telecommunications services to the interexchange carriers' subscribers.

Subpart H - Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic.

§ 51.701 Scope of transport and termination pricing rules.

(a) The provisions of this subpart apply to reciprocal compensation for transport and termination of local telecommunications traffic between LECs and other telecommunications carriers.

(b) Local telecommunications traffic. For purposes of this subpart, local telecommunications traffic means:

(1) telecommunications traffic between a LEC and a telecommunications carrier other than a CMRS provider that originates and terminates within a local service area established by the state commission; or

(2) telecommunications traffic between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this chapter.

(c) Transport. For purposes of this subpart, transport is the transmission and any necessary tandem switching of local telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

(d) Termination. For purposes of this subpart, termination is the switching of local telecommunications traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called party's premises.

(e) Reciprocal compensation. For purposes of this subpart, a reciprocal compensation arrangement between two carriers is one in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier's network facilities of local telecommunications traffic that originates on the network facilities of the other carrier.

§ 51.703 Reciprocal compensation obligation of LECs.

(a) Each LEC shall establish reciprocal compensation arrangements for transport and termination of local telecommunications traffic with any requesting telecommunications carrier.

(b) A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network.

§ 51.705 Incumbent LECs' rates for transport and termination.

(a) An incumbent LEC's rates for transport and termination of local telecommunications traffic shall be established, at the election of the state commission, on the basis of:

- (1) the forward-looking economic costs of such offerings, using a cost study pursuant to §§ 51.505 and 51.511 of this part;
- (2) default proxies, as provided in § 51.707 of this part; or
- (3) a bill-and-keep arrangement, as provided in § 51.713 of this part.

(b) In cases where both carriers in a reciprocal compensation arrangement are incumbent LECs, state commissions shall establish the rates of the smaller carrier on the basis of the larger carrier's forward-looking costs, pursuant to § 51.711 of this part.

§ 51.707 Default proxies for incumbent LECs' transport and termination rates.

(a) A state commission may determine that the cost information available to it with respect to transport and termination of local telecommunications traffic does not support the adoption of a rate or rates for an incumbent LEC that are consistent with the requirements of §§ 51.505 and 51.511 of this part. In that event, the state commission may establish rates for transport and termination of local telecommunications traffic, or for specific components included therein, that are consistent with the proxies specified in this section, provided that:

- (1) any rate established through use of such proxies is superseded once that state commission establishes rates for transport and termination pursuant to §§ 51.705(a)(1) or 51.705(a)(3) of this part; and

(2) the state commission sets forth in writing a reasonable basis for its selection of a particular proxy for transport and termination of local telecommunications traffic, or for specific components included within transport and termination.

(b) If a state commission establishes rates for transport and termination of local telecommunications traffic on the basis of default proxies, such rates must meet the following requirements:

(1) Termination. The incumbent LEC's rates for the termination of local telecommunications traffic shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 cents (\$0.002) per minute, except that, if a state commission has, before August 8, 1996, established a rate less than or equal to 0.5 cents (\$0.005) per minute for such calls, that rate may be retained pending completion of a forward-looking economic cost study.

(2) Transport. The incumbent LEC's rates for the transport of local telecommunications traffic, under this section, shall comply with the proxies described in § 51.513(d)(3), (4), and (5) of this part that apply to the analogous unbundled network elements used in transporting a call to the end office that serves the called party.

§ 51.709 Rate structure for transport and termination.

(a) In state proceedings, a state commission shall establish rates for the transport and termination of local telecommunications traffic that are structured consistently with the manner that carriers incur those costs, and consistently with the principles in §§ 51.507 and 51.509 of this part.

(b) The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network. Such proportions may be measured during peak periods.

§ 51.711 Symmetrical reciprocal compensation.

(a) Rates for transport and termination of local telecommunications traffic shall be symmetrical, except as provided in paragraphs (b) and (c).

(1) For purposes of this subpart, symmetrical rates are rates that a carrier other than an incumbent LEC assesses upon an incumbent LEC for transport and termination of local telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.

(2) In cases where both parties are incumbent LECs, or neither party is an incumbent LEC, a state commission shall establish the symmetrical rates for transport and termination based on the larger carrier's forward-looking costs.

(3) Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.

(b) A state commission may establish asymmetrical rates for transport and termination of local telecommunications traffic only if the carrier other than the incumbent LEC (or the smaller of two incumbent LECs) proves to the state commission on the basis of a cost study using the forward-looking economic cost based pricing methodology described in §§ 51.505 and 51.511 of this part, that the forward-looking costs for a network efficiently configured and operated by the carrier other than the incumbent LEC (or the smaller of two incumbent LECs), exceed the costs incurred by the incumbent LEC (or the larger incumbent LEC), and, consequently, that such that a higher rate is justified.

(c) Pending further proceedings before the Commission, a state commission shall establish the rates that licensees in the Paging and Radiotelephone Service (defined in part 22, subpart E of this chapter), Narrowband Personal Communications Services (defined in part 24, subpart D of this chapter), and Paging Operations in the Private Land Mobile Radio Services (defined in part 90, subpart P of this chapter) may assess upon other carriers for the transport and termination of local telecommunications traffic based on the forward-looking costs that such licensees incur in providing such services, pursuant to §§ 51.505 and 51.511 of this part. Such licensees' rates shall not be set based on the default proxies described in § 51.707 of this part.

- § 51.713 Bill-and-keep arrangements for reciprocal compensation.

(a) For purposes of this subpart, bill-and-keep arrangements are those in which neither of the two interconnecting carriers charges the other for the termination of local telecommunications traffic that originates on the other carrier's network.

(b) A state commission may impose bill-and-keep arrangements if the state commission determines that the amount of local telecommunications traffic from one network to the other is roughly balanced with the amount of local telecommunications traffic flowing in the opposite direction, and is expected to remain so, and no showing has been made pursuant to § 51.711(b) of this part.

(c) Nothing in this section precludes a state commission from presuming that the amount of local telecommunications traffic from one network to the other is roughly balanced with the amount of local telecommunications traffic flowing in the opposite direction and is expected to remain so, unless a party rebuts such a presumption.

§ 51.715 Interim transport and termination pricing.

(a) Upon request from a telecommunications carrier without an existing interconnection arrangement with an incumbent LEC, the incumbent LEC shall provide transport and termination of local telecommunications traffic immediately under an interim arrangement, pending resolution of negotiation or arbitration regarding transport and termination rates and approval of such rates by a state commission under sections 251 and 252 of the Act.

(1) This requirement shall not apply when the requesting carrier has an existing interconnection arrangement that provides for the transport and termination of local telecommunications traffic by the incumbent LEC.

(2) A telecommunications carrier may take advantage of such an interim arrangement only after it has requested negotiation with the incumbent LEC pursuant to § 51.301 of this part.

(b) Upon receipt of a request as described in paragraph (a), an incumbent LEC must, without unreasonable delay, establish an interim arrangement for transport and termination of local telecommunications traffic at symmetrical rates.

(1) In a state in which the state commission has established transport and termination rates based on forward-looking economic cost studies, an incumbent LEC shall use these state-determined rates as interim transport and termination rates.

(2) In a state in which the state commission has established transport and termination rates consistent with the default price ranges and ceilings described in § 51.707 of this part, an incumbent LEC shall use these state-determined rates as interim rates.

(3) In a state in which the state commission has neither established transport and termination rates based on forward-looking economic cost studies nor established transport and termination rates consistent with the default price ranges described in § 51.707 of this part, an incumbent LEC shall set interim transport and termination rates at the default ceilings for end-office switching (0.4 cents per minute of use), tandem switching (0.15 cents per minute of use), and transport (as described in § 51.707(b)(2) of this part).

(c) An interim arrangement shall cease to be in effect when one of the following occurs with respect to rates for transport and termination of local telecommunications traffic subject to the interim arrangement:

- (1) a voluntary agreement has been negotiated and approved by a state commission;
- (2) an agreement has been arbitrated and approved by a state commission; or
- (3) the period for requesting arbitration has passed with no such request.

(d) If the rates for transport and termination of local telecommunications traffic in an interim arrangement differ from the rates established by a state commission pursuant to § 51.705 of this part, the state commission shall require carriers to make adjustments to past compensation. Such adjustments to past compensation shall allow each carrier to receive the level of compensation it would have received had the rates in the interim arrangement equalled the rates later established by the state commission pursuant to § 51.705 of this part.

§ 51.717 Renegotiation of existing non-reciprocal arrangements.

(a) Any CMRS provider that operates under an arrangement with an incumbent LEC that was established before August 8, 1996 and that provides for non-reciprocal compensation for transport and termination of local telecommunications traffic is entitled to renegotiate these arrangements with no termination liability or other contract penalties.

(b) From the date that a CMRS provider makes a request under paragraph (a) until a new agreement has been either arbitrated or negotiated and has been approved by a state commission, the CMRS-provider shall be entitled to assess upon the incumbent LEC the same rates for the transport and termination of local telecommunications traffic that the incumbent LEC assesses upon the CMRS provider pursuant to the pre-existing arrangement.

Subpart I - Procedures for Implementation of Section 252 of the Act.

§ 51.801 Commission action upon a state commission's failure to act to carry out its responsibility under section 252 of the Act.

(a) If a state commission fails to act to carry out its responsibility under section 252 of the Act in any proceeding or other matter under section 252 of the Act, the Commission shall issue an order preempting the state commission's jurisdiction of that proceeding or matter within 90 days after being notified (or taking notice) of such failure, and shall assume the responsibility of the state commission under section 252 of the Act with respect to the proceeding or matter and shall act for the state commission.

(b) For purposes of this part, a state commission fails to act if the state commission fails to respond, within a reasonable time, to a request for mediation, as provided for in section 252(a)(2) of the Act, or for a request for arbitration, as provided for in section 252(b) of the Act, or fails to complete an arbitration within the time limits established in section 252(b)(4)(C) of the Act.

(c) A state shall not be deemed to have failed to act for purposes of section 252(e)(5) of the Act if an agreement is deemed approved under section 252(e)(4) of the Act.

§ 51.803 Procedures for Commission notification of a state commission's failure to act.

(a) Any party seeking preemption of a state commission's jurisdiction, based on the state commission's failure to act, shall notify the Commission in accordance with following procedures:

(1) such party shall file with the Secretary of the Commission a petition, supported by an affidavit, that states with specificity the basis for the petition and any information that supports the claim that the state has failed to act, including, but not limited to, the applicable provisions of the Act and the factual circumstances supporting a finding that the state commission has failed to act;

(2) such party shall ensure that the state commission and the other parties to the proceeding or matter for which preemption is sought are served with the petition required in paragraph (a)(1) of this section on the same date that the petitioning party serves the petition on the Commission; and

(3) within fifteen days from the date of service of the petition required in paragraph (a)(1) of this section, the applicable state commission and parties to the proceeding may file with the Commission a response to the petition.

(b) The party seeking preemption must prove that the state has failed to act to carry out its responsibilities under section 252 of the Act.

(c) The Commission, pursuant to section 252(e)(5) of the Act, may take notice upon its own motion that a state commission has failed to act. In such a case, the Commission shall issue a public notice that the Commission has taken notice of a state commission's failure to act. The applicable state commission and the parties to a proceeding or matter in which the Commission has taken notice of the state commission's failure to act may file, within fifteen days of the issuance of the public notice, comments on whether the Commission is required to assume the responsibility of the state commission under section 252 of the Act with respect to the proceeding or matter.

(d) The Commission shall issue an order determining whether it is required to preempt the state commission's jurisdiction of a proceeding or matter within 90 days after being notified under paragraph (a) of this section or taking notice under paragraph (c) of this section of a state commission's failure to carry out its responsibilities under section 252 of the Act.

§ 51.805 The Commission's authority over proceedings and matters.

(a) If the Commission assumes responsibility for a proceeding or matter pursuant to section 252(e)(5) of the Act, the Commission shall retain jurisdiction over such proceeding or matter. At a minimum, the Commission shall approve or reject any interconnection agreement adopted by negotiation, mediation or arbitration for which the Commission, pursuant to section 252(e)(5) of the Act, has assumed the state's commission's responsibilities.

(b) Agreements reached pursuant to mediation or arbitration by the Commission pursuant to section 252(e)(5) of the Act are not required to be submitted to the state commission for approval or rejection.

§ 51.807 Arbitration and mediation of agreements by the Commission pursuant to section 252(e)(5) of the Act.

(a) The rules established in this section shall apply only to instances in which the Commission assumes jurisdiction under section 252(e)(5) of the Act.

(b) When the Commission assumes responsibility for a proceeding or matter pursuant to section 252(e)(5) of the Act, it shall not be bound by state laws and standards that would have applied to the state commission in such proceeding or matter.

(c) In resolving, by arbitration under section 252(b) of the Act, any open issues and in imposing conditions upon the parties to the agreement, the Commission shall:

(1) ensure that such resolution and conditions meet the requirements of section 251 of the Act, including the rules prescribed by the Commission pursuant to that section;

(2) establish any rates for interconnection, services, or network elements according to section 252(d) of the Act, including the rules prescribed by the Commission pursuant to that section; and

(3) provide a schedule for implementation of the terms and conditions by the parties to the agreement.

(d) An arbitrator, acting pursuant to the Commission's authority under section 252(e)(5) of the Act, shall use final offer arbitration, except as otherwise provided in this section:

(1) at the discretion of the arbitrator, final offer arbitration may take the form of either entire package final offer arbitration or issue-by-issue final offer arbitration.

(2) negotiations among the parties may continue, with or without the assistance of the arbitrator, after final arbitration offers are submitted. Parties may submit subsequent final offers following such negotiations.

(3) to provide an opportunity for final post-offer negotiations, the arbitrator will not issue a decision for at least fifteen days after submission to the arbitrator of the final offers by the parties.

(e) Final offers submitted by the parties to the arbitrator shall be consistent with section 251 of the Act, including the rules prescribed by the Commission pursuant to that section.

(f) Each final offer shall:

(1) meet the requirements of section 251, including the rules prescribed by the Commission pursuant to that section;

(2) establish rates for interconnection, services, or access to unbundled network elements according to section 252(d) of the Act, including the rules prescribed by the Commission pursuant to that section; and

(3) provide a schedule for implementation of the terms and conditions by the parties to the agreement. If a final offer submitted by one or more parties fails to comply with the requirements of this section, the arbitrator has discretion to take steps designed to result in an arbitrated agreement that satisfies the requirements of section 252(c) of the Act, including requiring parties to submit new final offers within a time frame specified by the arbitrator, or adopting a result not submitted by any party that is consistent with the requirements of section 252(c) of the Act, and the rules prescribed by the Commission pursuant to that section.

(g) Participation in the arbitration proceeding will be limited to the requesting telecommunications carrier and the incumbent LEC, except that the Commission will consider requests by third parties to file written pleadings.

(b) Absent mutual consent of the parties to change any terms and conditions adopted by the arbitrator, the decision of the arbitrator shall be binding on the parties.

§ 51.809 Availability of provisions of agreements to other telecommunications carriers under section 252(l) of the Act.

(a) An incumbent LEC shall make available without unreasonable delay to any requesting telecommunications carrier any individual interconnection, service, or network element arrangement contained in any agreement to which it is a party that is approved by a state commission pursuant to section 252 of the Act, upon the same rates, terms, and conditions as those provided in the agreement. An incumbent LEC may not limit the availability of any individual interconnection, service, or network element only to those requesting carriers serving a comparable class of subscribers or providing the same service (i.e., local, access, or interexchange) as the original party to the agreement.

(b) The obligations of paragraph (a) of this section shall not apply where the incumbent LEC proves to the state commission that:

(1) the costs of providing a particular interconnection, service, or element to the requesting telecommunications carrier are greater than the costs of providing it to the telecommunications carrier that originally negotiated the agreement, or

(2) the provision of a particular interconnection, service, or element to the requesting carrier is not technically feasible.

(c) Individual interconnection, service, or network element arrangements shall remain available for use by telecommunications carriers pursuant to this section for a reasonable period of time after the approved agreement is available for public inspection under section 252(f) of the Act.

14. Part 90 of Title 47 of the Code of Federal Regulations (C.F.R.) is amended as follows:

PART 90 - PRIVATE LAND MOBILE RADIO SERVICES

15. The authority citation for Part 90 is revised to read as follows:

AUTHORITY: Secs. 4, 251-2, 303, 309, and 332, 48 Stat. 1066, 1082, as amended; 47 U.S.C. 154, 251-2, 303, 309 and 332, unless otherwise noted.

16. Section 90.5 is amended by adding paragraph (k) and renumbering the remaining paragraphs to read as follows:

(k) Part 51 contains rules relating to interconnection.

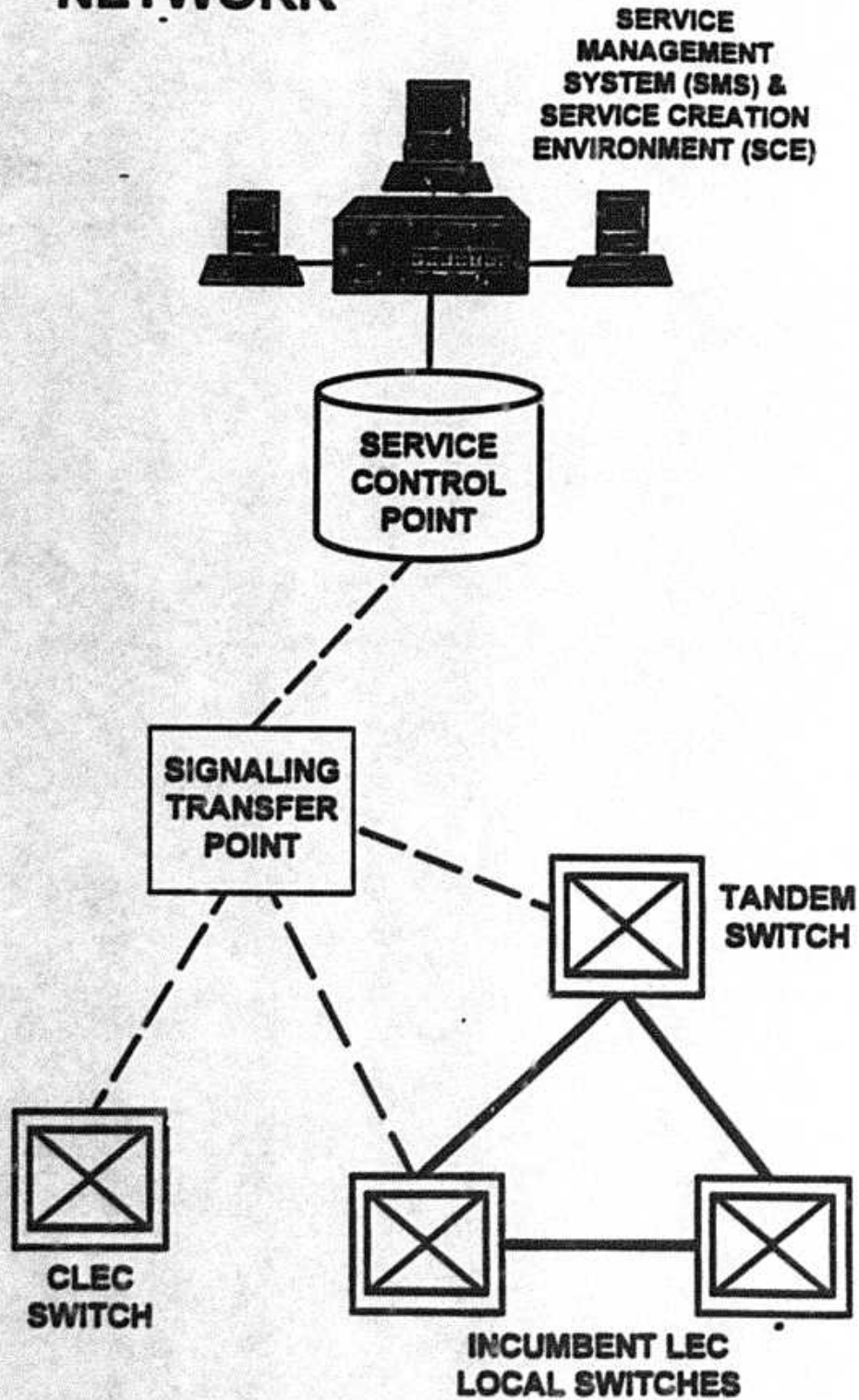
(l) ***

(m) ***

Appendix D **State Proxy Ceilings for the Local Loop**

| State | Proxy Ceiling | State | Proxy Ceiling |
|----------------------|---------------|----------------|---------------|
| Alabama | \$17.25 | Montana | \$25.18 |
| Arizona | \$12.85 | Nebraska | \$18.05 |
| Arkansas | \$21.18 | Nevada | \$18.95 |
| California | \$11.10 | New Hampshire | \$16.00 |
| Colorado | \$14.97 | New Jersey | \$12.47 |
| Connecticut | \$13.23 | New Mexico | \$18.66 |
| Delaware | \$13.24 | New York | \$11.75 |
| District of Columbia | \$10.81 | North Carolina | \$16.71 |
| Florida | \$13.68 | North Dakota | \$25.36 |
| Georgia | \$16.09 | Ohio | \$15.73 |
| Hawaii | \$15.27 | Oklahoma | \$17.63 |
| Idaho | \$20.16 | Oregon | \$15.44 |
| Illinois | \$13.12 | Pennsylvania | \$12.30 |
| Indiana | \$13.29 | Puerto Rico | \$12.47 |
| Iowa | \$15.94 | Rhode Island | \$11.48 |
| Kansas | \$19.85 | South Carolina | \$17.07 |
| Kentucky | \$16.70 | South Dakota | \$25.33 |
| Louisiana | \$16.98 | Tennessee | \$17.41 |
| Maine | \$18.69 | Texas | \$15.49 |
| Maryland | \$13.36 | Utah | \$15.12 |
| Massachusetts | \$9.83 | Vermont | \$20.13 |
| Michigan | \$15.27 | Virginia | \$14.13 |
| Minnesota | \$14.81 | Washington | \$13.37 |
| Mississippi | \$21.97 | West Virginia | \$19.25 |
| Missouri | \$18.32 | Wisconsin | \$15.94 |
| | | Wyoming | \$25.11 |

ADVANCED INTELLIGENT NETWORK



August 8, 1996

*In the Matter of
Implementation of the Local Competition Provisions in
the Telecommunications Act of 1996 (CC Docket No. 96-98)
and
Interconnection between Local Exchange Carriers and
Commercial Mobile Radio Service Providers (CC Docket No. 95-185)*

Separate Statement of Chairman Reed E. Hundt

This order is the most pro-competitive action of government since the break-up of the Standard Oil Trust. I hope the whole country will join in common acknowledgement of all those who made this possible.

The private sector was ably represented, and provided us with much useful information and suggestions.

I specifically acknowledge and thank my colleagues, Commissioners Quello, Ness and Chong, and their staffs, all of whom contributed greatly throughout this process.

I would also especially thank Cheryl Parrino, President of the National Association of Regulatory Utility Commissioners. Her advice and counsel have been invaluable. Thanks also go to the two individuals who served as Chair of NARUC's Communications Committee during this period, Ken McClure and Lisa Rosenblum. I also thank the many other state commissioners from around the country who took time to discuss these matters with us, and who sent their staffs here for extended meetings on all these issues. I would also especially thank Chairman Dan Miller of the Illinois Commerce Committee who detailed one of his staff members, Augie Ros, to the FCC.

I owe a special debt of gratitude and respect to John Nakahara, my Senior Legal Adviser. John's brilliant, indefatigable, incisive and comprehensive work was essential to the triumph of analysis and policy that is in this order.

The highest commendations, however, go to the FCC staff, superbly led by Regina Kenney and Richard Metzger. I would like specifically to recognize each of the dedicated members of the Commission's staff who contributed to this effort, and I apologize if I have inadvertently omitted anyone:

COMMON CARRIER BUREAU

Competitive Pricing Division

Jay Atkinson
Dana Bradford
C. Anthony Bush
Paul D'Ari
Whitney Fox
Aaron Goldschmidt
Lori Huthoefer
Jane Jackson
Cameron Kashani
Dave Komuch
Ed Krachmer
Rich Lerner
Jim Schlichting
Katherine Schroder
John Scott
Les Selzer
Raj Kannan
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Doug Sloten
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Matt Warren
Steve Weingarten
Kevin Werbach
Brad Wimmer

Policy and Program Planning Division

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Patrick Degraha
David Ellen
Kathleen Franco
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Jason Grant
Florence Grasso
James Graves
Adam Guglielmo
Kalpak Gude
Matt Harthun

Policy and Program (cont.)

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Radhika Karmarkar
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Anil Koshy
Stuart Kupinsky
Cheryl Leanza
Mindy Littell
Debbie Maisel
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Cecilia Sangley
Blaise Scinto
Ann Stevens
Donald Stockdale
Jeannie Su
Robert Tanner
Melissa Waksman
Richard Welch
Tracy Wilson
Jim Yancey

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Ken Moran
David Ahn
Leo Bridge
Chuck Needy

Common Carrier Bureau (cont.)

Enforcement Division

Adrien Auger
Anita Cheng
John Muleta

Industry Analysis Division

Tom Beers
Nasir Khilji
Jim Lande
Peyton Wynns

Network Services Division

Judy Albert
Renee Alexander
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Andy Firth
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Elliot Maxwell

OFFICE OF PUBLIC AFFAIRS

Susan Lewis Sallet

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BUREAU**

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Karen Brinkmann
Jim Coltharp
Walt Strack
Daniel Grosh
Kathy O'Brien
Jeff Steinburg
Rhonda Lien
Zenji Nakazawa
David Nall
Jay Markley

PRINTING AND GRAPHICS BRANCH

Dan Walker
Tyrone Campfield
Ronnie Murray
Carlyn Walker

STATEMENT OF COMMISSIONER JAMES H. QUELLO

August 8, 1996

Re: Interconnection Report and Order

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Today marks the end of the pre-competitive era in local telephone service. By our vote today the Commission implements rules that will introduce competition into this last monopoly telecommunications market.

Our Report and Order refers to these rules as the first part of a trilogy that also includes future universal service and access charge reform. This is, to be sure, true. But I must confess that I also see today's action as not the first, but rather the third and final part, of a different trilogy -- one whose first two parts were the introduction of competition into the long-distance telephone market and the divestiture of the Bell Operating Companies from AT&T. These first two events made local telephone competition inevitable; today we usher it in.

Any Commissioner would be privileged to have served during one of these events. I have been lucky enough to have seen all three. From this perspective, then, I would offer several thoughts to the parties most immediately affected by today's decision.

First, to the public, I would say: unparalleled changes in the array of telecommunications services available to you, as well as in the companies that provide them, are going to occur. As competition proliferates and prices fall, economic growth will also occur, and that too will benefit all of us. This is the vision of the 1996 Act, and it is the goal of the rules we adopt today.

To those companies that seek to offer competitive local telephone service, I would say: the rules we adopt today attempt to provide the regulatory assistance you need to enter a market in which your competitor not only possesses a monopoly, but also controls the facilities upon which you must depend to compete. But even so, our rules are pro-competition, not pro-competitor. They are intended to make it possible for you to enter the market on fair and equitable terms, but not to so alter the market that entry occurs even where it otherwise might not. We have opened the door, but we have not paved the way.

To the wireless communications providers, I would say: we have heard and understand your concerns regarding the differences in your technical and market configurations and have, therefore, expressly reserved federal jurisdiction under Section 332. Nevertheless, it is important that our decisions implementing competition be technology-neutral and provide an opportunity for negotiations under the comprehensive interconnection regime embodied by Congress in Section 251. We will presume good faith negotiations by all

but stand ever vigilant to consider and resolve instances of discriminatory treatment.

To our state commission counterparts, I would say: with today's action, we effectively pass you the pen. It is now your responsibility to write the rules and set the prices and terms that will make Congress's vision of competition a reality. To provide added flexibility and to make this process administratively easier, we have also provided ranges of proxy prices that can be used until, or even instead of, state-specific rates are set. Our decision today borrows from and builds on the experience of those of you who are grappling with statewide competition issues. This has, in sum, been a collaborative process. It must continue to be a collaborative process if we are collectively to succeed.

To small telephone companies, I would say: our Report and Order relies largely on state commissions to implement the provisions of the law that ensure that competition will be introduced in a way that is sensitive to your unique circumstances. We cannot, and indeed would not want to, perpetuate what one small company has called a "reasonable, investment-backed expectation to hold competitive advantages over new market entrants." But while we will not guarantee your current profit margins, we are also confident that state decisions will assure that competition in your service areas will take hold in a reasonable manner.

To the Bell Operating Companies and other large independent local telcos, I would say: these rules will bring about competition. You will open your markets to competitors, and in return you will become competitors in other markets. The rules we adopt today will enable you to do both things. What they will not enable you to do is avoid the first, but obtain the second. These rules will bring change, not catastrophe; they will bring opportunity, not oblivion. It will be a different world, but one in which you will continue to play a vital role.

Finally, I must acknowledge that this day would not have come without the tireless dedication and tremendous talents of Gina Keeney and her gifted Common Carrier Bureau staff. The Chairman will, I am sure, commend each of you at length, and I will leave that privilege to him. For my part I want to express my thanks to the entire CCB "Dream Team," and especially to its captain, Richard Metzger. This job could literally not have been done this well in such short time without you, and for that you have my profound respect and appreciation.

August 8, 1996

SEPARATE STATEMENT
OF
COMMISSIONER SUSAN NESS

Re: *Implementation of the Local Competition Provisions of the
Telecommunications Act of 1996*

Today we are fulfilling one of the most important responsibilities assigned to us by the Telecommunications Act of 1996 -- writing the rules that will achieve Congress's vision of fair and robust competition in all telecommunications markets. We are doing so with utmost fidelity to the letter and the spirit of the statute.

At the heart of the legislation is a bold commitment to supplant monopoly with competition. Based on the abundant benefits that have flowed to consumers as a result of competition in the provision of long distance services, information services, and customer-premises equipment, Congress decreed that the opportunity for competition be extended to the local telephone market. It ordered that barriers to entry be swept aside -- and that pathways to competitive entry be opened.

Sections 251 and 252 of the 1996 Act establish the foundation for this competition. On this foundation must be built radically different relationships than those that have previously existed -- between incumbent local exchange carriers and new entrants, between state and federal regulators, and between regulators and industry.

Congress recognizes that, to effectuate a new policy of local competition for markets that have traditionally been protected monopolies, a national policy framework is essential. But it also recognizes the need for flexibility. This balance is reflected in the 1996 Act, which sets forth the key principles in the statute, instructs this Commission to formulate implementing regulations, and assigns many of the duties pertaining to specific carriers and agreements to the state commissions.

At the same time, Congress encouraged voluntary negotiations between incumbent local exchange carriers and new entrants. Although voluntary agreements are not subject to Section 251 and our implementing regulations, we are aware that the negotiations may be influenced by the legislative and regulatory regime for arbitrated agreements. The "backdrop" of our rules should encourage, not impede, the successful negotiation of voluntary agreements.

The 1996 Act intends that the benefits of competition be available in all 50 states, not some lesser number. Congress recognized that some states were already making progress in the introduction of local competition, and it sought to permit that progress to continue.

Consistent with the statute, the rules we promulgate today will enable those states in the vanguard to continue on their pro-competitive course. Other states are being given the tools necessary to accelerate their progress. All states will have considerable responsibility for effectuating the transition to competition within their own borders.

Our decisions in this proceeding are the product of extensive discussions with state regulators concerning a wide variety of legal, economic, policy, and practical issues. The insights that have been shared with us by state regulators have guided us throughout our deliberations. Maintaining a successful partnership between state and federal regulators will be essential to fulfill the legislative expectations underlying the new structure set out in Sections 251 and 252 of the 1996 Act.

Our duty is to establish rules that are pro-competition, not pro-competitor. Competitive access providers, cable companies, interchange carriers, wireless companies, and others will all bring unique skills and strategies to the new competitive arena. Today's ruling, and the decisions that will follow from the state commissions, will enable all of these entities to compete robustly, and without hindrance based on other entities' entrenched market power.

In today's order, we are also facilitating new entry by identifying a core set of unbundled network elements that new entrants may obtain, singly or in combination, from incumbent LECs, to create new and innovative services. We send correct economic signals to potential entrants by requiring the use of forward-looking pricing principles. We promote voluntary negotiations by establishing minimal rules regarding the duty to bargain in good faith. We are providing immediate relief from CMRS-LEC interconnection agreements that violate fair play and flout our existing rules. In these and other respects, we act forcefully to bring to the local telephone market the dramatic change Congress intended.

Yet we also maintain fair treatment to the incumbent local exchange carriers. They are entitled to fair prices for the services and elements they offer, and our pricing principles accordingly reject costing methods that ignore the LECs' current network architecture or deny recovery of reasonable joint and common costs. The special needs of smaller incumbents, especially rural telcos, must be addressed with extra care, and just as Congress intended, we safeguard them today.

Some have expressed concern about the effect on universal service of flash-cut changes in market rules and pricing principles. We have listened -- and responded. With an abundance of caution, we have established an access charge transition of limited duration that will reduce the exposure of incumbent local exchange carriers to the sudden loss of access charge revenues. But we have also established for the long-term the principle that prices for network elements, transport and termination, and collocation must be based on costs -- not hidden subsidies that distort market forces.

We have committed to expeditious completion of the universal service proceeding, where we must make subsidies explicit and both eligibility and funding must become competitively

neutral. On a parallel track, we must complete reform of access charges, to eliminate uneconomic incentives that distort investment decisions. A rational economic structure for all services and elements is vital to sustainable competition.

Only when the universal service, access reform, and interconnection rules are all in effect will local telephone subscribers really begin to see the full benefits of marketplace competition: lower prices, new services, and more choices. As market power wanes, the role of government will diminish as well.

Competition will take time to emerge. Expectations are high, but the reality will inevitably lag behind. As the process unfolds over the coming months and years, there are bound to be unforeseen circumstances, unintended consequences, and efforts to game the process. We will remain vigilant, and will reevaluate and refine our rules as necessary to promote competition that is both robust and fair.

Following the mandate of the Telecommunications Act of 1996, this Commission will not shrink from taking the steps necessary to enable the benefits of competition to reach consumers throughout the nation.

August 8, 1996

Separate Statement of
Commissioner Rachelle B. Chong

Re: *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185; Implementation of Sections 3(n) and 332 of the Communications Act, GN Docket No. 93-252.*

The passage of the Telecommunications Act of 1996¹ marked the end of more than sixty years of monopoly style regulation. The changes wrought by the 1996 Act on the telephone industry are dramatic and comprehensive. I write separately to emphasize my strong belief that the pro-competitive path we have unanimously chosen in this interconnection order is the right one.

On the day the 1996 Act became law, the Commission embarked on a challenging journey to help implement the new statute. Our final destination has been clearly delineated by Congress. We are "to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition."²

True to this charge, we have resolved to act quickly and decisively to open all telecommunications markets to competition, to provide pricing methodologies that will drive rates toward cost, and to provide a national policy framework that will achieve this restructuring of the industry in an orderly and efficient manner. The rules in this item do not favor any particular industry or player over another, but instead free them from outdated regulatory restraints in order to compete with each other.

The 1996 Act opens up the local telephone network to competitors, and provides them with unprecedented access through an interconnection framework.³ The Act

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 to be codified at 47 U.S.C. §§ 151 et. seq. (1996 Act).

² S. Conf. Rep. No. 104-230, 104th Cong., 2d Sess. 1 (1996).

³ Interconnection refers to the physical linking of two networks for the mutual exchange of traffic.

provides three methods of entry through which a competitor may enter the local telephone market: (1) full facilities-based entry; (2) purchase of unbundled elements from the incumbent local exchange carrier (LEC), i.e. network "piece parts;" and (3) resale, which gives a competitor the ability to purchase an incumbent LEC's retail service at a wholesale price and repackage it for sale to the competitor's own end user.

Facilities-based Competition. The first entry option - facilities-based competition - represents the most dramatic departure from our current bottleneck monopoly structure. A full facilities-based competitor would offer a myriad of distinct services through separate facilities to its subscribers, and thus providing consumers with the benefits of head-to-head competition. As a practical matter, however, we do not expect a market typified by full-fledged facilities-based competition to blossom overnight. These networks or systems must be planned, financed and constructed over time. As a result, the other two entry avenues - the purchase of unbundled elements and resale - take on a special importance in the near term to bring swift competition to the local marketplace.

Unbundled Elements. Some new entrants already have some network infrastructure in place, and lack only a few critical components in order to provide local exchange service to consumers. For example, today's cable operators have a coaxial wire that passes over 96.6% of the TV households in America.⁴ If a cable operator can access the remaining necessary network elements from the incumbent LEC, the cable operator would be only a step away from providing local telephone service over its upgraded network. This example points out why it is essential for new entrants to obtain access to those network piece parts. In our order, we set forth a minimum list of unbundled network elements that incumbent LECs uniformly must make available to new entrants upon request. The state commissions may expand upon this list. We believe that this action will give new entrants what they need so competition is "jump started."

Resale. Resale is another critically important entry strategy because three types of new entrants stand to benefit. First, facilities-based competitors that want to immediately enter the market prior to completing their own networks can use resale as a transition mechanism. Second, facilities-based competitors whose existing infrastructure does not overlap the incumbent LEC's service area, may choose to use resale to ensure that it can offer a competing local service package within the same service territory as the incumbent LEC. Third, new entrants who do not intend to offer facilities-based competition will be able to compete immediately in the local market by purchasing discounted services of the incumbent LEC. For all of these categories, our decision provides a viable avenue for immediate market entry.

Free Market Negotiations. I highlight that the 1996 Act has made the mechanism for entry a free market negotiation process between the incumbent LEC and any potential new

⁴ Paul Kagan Associates, Inc., *Marketing New Media*, Mar. 18, 1996.

competitor. Under Section 252(a)(1), the Commission's Section 251 rules play no role if an incumbent LEC and a new entrant reach a purely voluntary agreement, and the state commission approves it through the process set forth in Section 252.

Need for Minimum National Baselines. It is only if the carriers are unsuccessful in their voluntary negotiations that government steps in. The Act provides that the state commissions arbitrate the disputes. In today's order, we set forth a baseline of terms and conditions for an arbitrated interconnection agreement. I support this action for three reasons. First, because interconnection matters are very complex and technical, I believe that minimum national guidelines will help parties lower their transaction costs and will help drive them to reach their voluntary agreements much faster. At the outset of their voluntary negotiations, parties will understand what their minimum rights will be in a subsequent state commission arbitration process; it is our hope this may encourage earlier agreement.

Second, a baseline of terms and conditions simplifies the state commission arbitration process. A baseline enables a state commission to quickly approve an agreement and thus rapidly introduce competition. The presence of a baseline minimizes any regulatory delay that might result if a state commission were to establish from scratch its own pricing methodology or conduct a proceeding to identify network elements that must be unbundled.

Third, in establishing some national minimum baselines, we greatly aid new entrants who have national or regional strategies. Without such baselines, these competitors would face a "patchwork quilt" of differing state regulatory requirements that may create a potential entry barrier by increasing their entry costs and causing substantial delay. Thus, it is my view that these baselines promote swift competitive entry, which in turn will lead to the earlier introduction of competitive services to consumers.

Access Charge Transition. Although we take a great leap forward toward competition with this interconnection order, our goal in making local telephone competition a reality will not be complete until we finish universal service reform and restructure our current access charge regime. Our order notes that the Act sets forth a specific time frame by which the Commission must issue final rules as to interconnection (August 1996) and universal service reform (May 1997). Because of the time differential between these dates, and in order to avoid undue disruption of the incumbent LECs' ability to support universal service, I have supported our decision to require new entrants when purchasing unbundled elements to pay a portion of certain access charges until no later than June 30, 1997. My support for the establishment of a short term access charge transition scheme is premised on the Commission's firm commitment to complete universal service and access charge reform by the first half of 1997. I underscore my determination that the interim access charge mechanism proposed herein is of a finite duration. I can foresee no circumstance upon which it would be extended beyond the dates set forth in our order.

Pricing Methodology. Prices of interconnection and unbundled elements, along with prices for transport and termination and resale, are all crucial to any interconnection agreement. Again, should the parties voluntarily agree on such prices, these agreements will be submitted to the states for approval and there is no government intervention in the process.

If carriers cannot agree, however, today's decision makes clear that the FCC will not set these prices. The Act provides that the appropriate state commission will step in to set prices. To help guide state commissions as they set prices according to local conditions, we have established methodological pricing principles that are consistent with the Act's cost-based pricing provisions. We have asked the state commissions to use the cost-based pricing methodology described in our order when they conduct an economic cost study to set their state specific rates. A clear benefit of this approach is that such a national framework will encourage the swift establishment of a common, pro-competition understanding of pricing principles among the states.

We also have established certain default proxies that states will use in the interim, if they have not completed a cost study during an arbitration, or if they lack the necessary resources to initiate their own cost study. It is my view that these default proxies, which are either price ceilings or price ranges, will greatly speed competition. For example, in a situation where the state commission has not yet completed a cost study but must render a decision on specific pricing issues in an arbitration pursuant to the deadline imposed by Section 252(e)(4), the default proxies will assist the state commission in resolving the pricing issues quickly and in a way consistent with the Act's cost-based pricing principles.

I emphasize that a state commission has the flexibility to set a specific rate that is either above or below the default proxy ceiling or range if it has conducted its own cost study consistent with the pricing methodology set forth in our order. The default proxy is only an interim mechanism and it may not be relied upon once a state commission has completed its own economic cost study.³

CMRS-LEC Interconnection Issues. In our order, I have supported our decision to allow CMRS-LEC interconnection matters to be governed by the Sections 251/252 provisions, while continuing to acknowledge our continuing jurisdiction pursuant to Section 332 over CMRS-LEC interconnection matters. In doing so, we have declined to opine on the precise extent of our Section 332 jurisdiction over CMRS-LEC interconnection matters, however. I emphasize that by opting to use the Section 251/252 framework, we are not repealing our Section 332 jurisdiction by implication or rejecting

³ It is unfortunate that we did not have enough of a record in this proceeding to decide what would be an appropriate proxy for pricing carriers' termination costs or to set a default proxy. I am committed to moving forward with a further rulemaking proceeding on this issue as quickly as possible.

Section 332 as an alternative basis for jurisdiction.

While we have generally crafted our interconnection rules not to favor any particular industry, player or technology over another, we cannot shut our eyes to inherent differences between some classes of carriers' services that may pose potential problems when we seek to apply our new interconnection rules. I believe that should the need arise in the future, we should not hesitate to adapt some of our general interconnection rules to recognize the unique nature of particular classes of service providers, such as CMRS providers. It is for this reason that I supported the Commission's decision to reserve its right to exercise jurisdiction over LEC-CMRS interconnection under Section 332.

There are several differences that set wireless CMRS providers apart from some of the other telecommunications carriers that will avail themselves of the Sections 251 and 252 interconnection framework. First, when adopting Section 332 in 1993, Congress created a national regulatory framework for CMRS providers, and granted the FCC authority to preempt states from entry and rate regulation. Congress made clear that its intent was to "foster the growth and development of mobile services that, by their nature, operate without regard to state lines as an integral part of the national telecommunications infrastructure."⁶ This recognition that CMRS services are uniquely interstate in scope was apt. CMRS service areas, which are established federally, can encompass more than one state jurisdiction.⁷ Congress was rightly concerned that imposing multiple state regulatory schemes on CMRS providers may prove unduly burdensome, cause delay, and otherwise inhibit the industry's growth. Notably, Congress did not repeal Section 332 when it provided new Sections 251 and 252 in the 1996 Act.

Second, CMRS providers have suffered past discrimination at the hand of the LECs and by certain state commissions with regard to interconnection matters. Today's record is replete with examples of LECs that have significantly overcharged CMRS providers for past interconnection. Further, in violation of our rules, our record reflects that in some cases,

⁶ H.R. Report No. 103-11, 103rd Cong., 1st Sess. 260 (1993).

⁷ For example, Personal Communications Service (PCS) providers in the Washington - Baltimore Major Trading Area (MTA) are subject to six jurisdictions - Pennsylvania, Delaware, Maryland, Virginia, West Virginia and the District of Columbia - due to the large size and location of the federally set service areas. Should one of these PCS providers need to arbitrate an interconnection agreement pursuant to Section 251 and 252, such PCS provider could be subjected to as many as six state arbitration proceedings. This scenario could impose undue burden, such as increased transaction costs, regulatory delay, and the potential for inconsistent results, for CMRS providers with interstate service areas. For this reason, we reserve our right to in the future to use Section 332 as an alternative basis for jurisdiction over CMRS providers faced with this type of a dilemma.

LECs have refused to pay CMRS providers for calls terminated by LECs on the CMRS networks, while other wireline carriers have received such compensation from the LECs. In other instances, LECs have required certain CMRS providers to pay for the traffic the LEC carrier originates and terminates on the systems of the CMRS provider. These problems have been compounded by certain state commissions who have limited access by CMRS providers to more reasonable interconnection rates afforded by LECs to other wireline carriers.

In this order, we have taken a variety of measures to remedy this discrimination and to ensure that CMRS providers are placed on an even footing with other telecommunications carriers when obtaining LEC interconnection. I am particularly pleased that we will allow CMRS providers with current interconnection agreements that provide for non-mutual compensation an opportunity to renegotiate those agreements under the framework of Sections 251/252, without incurring any early termination penalties. In light of the past discrimination CMRS providers have experienced, however, I would have taken two additional steps.

First, I would have extended the "fresh look" opportunity to all CMRS providers - not just those with non-mutual compensation arrangements. Our decision was to limit relief in this instance to contracts that are clearly unlawful because they violate Section 20.11 of our rules. Section 20.11, however, requires not only that CMRS-LEC interconnection agreements comply with principles of mutual compensation, but also that each carrier pay *reasonable* compensation. I believe that the record in this proceeding clearly demonstrates that the rates the LECs have charged CMRS providers have far exceeded their costs and thus could not fairly be characterized as "reasonable" compensation.

Second, instead of requiring the CMRS providers to continue paying their current interconnection rates, I would have permitted CMRS providers to immediately begin paying the default proxy rate while their interconnection arrangements were being renegotiated.

It is my hope that on a going-forward basis, CMRS providers will be able to obtain fair, reasonable and non-discriminatory interconnection rates under the terms of today's decision. For reasons of simplicity and regulatory parity, it makes sense to me to have a single regulatory scheme pursuant to Sections 251 and 252 apply as to all incumbent LEC interconnection matters. Bearing in mind Congress' concerns about the interstate nature of the CMRS industry, however, I have concerns that the state-by-state arbitration process may pose undue burdens on, or otherwise hinder the growth of, the CMRS industry. If it does, I would not hesitate to invoke our Section 332 jurisdiction if I believe that the framework we impose today is having adverse impacts on the CMRS industry.

EXECUTION COPY

**INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252
OF THE TELECOMMUNICATIONS ACT OF 1996**

Dated as of July 16, 1996

by and between

SOUTHWESTERN BELL TELEPHONE COMPANY

and

MFS COMMUNICATIONS COMPANY, INC.

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INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 ("Agreement"), is by and between Southwestern Bell Telephone Company, a Missouri Corporation ("SWBT"), and MFS Communications Company, Inc., a Delaware Corporation, on behalf of itself and its operating subsidiaries in Texas (collectively "MFS").

WHEREAS, the Parties want to interconnect their networks at mutually agreed upon points of interconnection to provide, directly or indirectly, Telephone Exchange Services (as defined below) and Exchange Access (as defined below) to residential and business end users predominantly over their respective telephone exchange service facilities in Texas; 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 Telecommunications Act of 1996 ("Act") and additional services as set forth herein.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MFS and SWBT hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. For convenience of reference only, the definitions of certain terms that are as defined in the Act (as defined below) are set forth in Schedule 1.0. Schedule 1.0 sets forth the definitions of such terms as of the date specified on such Schedule and neither Schedule 1.0 nor any revision, amendment or supplement thereof intended to reflect any revised or subsequent interpretation of any term that is set forth in the Act is intended to be a part of or to affect the meaning or interpretation of this Agreement.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 153(R)), as amended by the Telecommunications Act of 1996, and as from time-to-time interpreted in the duly authorized rules and regulations of the FCC or a Commission within its state of jurisdiction.

1.2 "Affiliate" is as defined in the Act.

1.3 "As defined in the Act" means as specifically defined by the Act and as from time-to-time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.4 "As described in the Act" means as described in or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.5 "Automatic Number Identification" or "ANI" is a switching system feature that forwards the telephone number of the calling party and is used for screening, routing and billing purposes.

1.6 "Calling Party Number" or "CPN" is a feature of signaling system 7 (SS7) protocol whereby the 10 digit number of the calling party is forwarded from the end office.

1.7 "Central Office Switch" means a single switching system within the public switched telecommunications network, including the following:

"End Office Switches" which are Class 5 switches where end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches used to connect and switch trunk circuits between Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

1.8 "CLASS Features" mean certain CCS-based features available to end users including, but not limited to: Automatic Call Back; Call Trace; Caller Identification and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.

1.9 "Collocation" means an arrangement whereby one Party's (the "Collocating Party") facilities are terminated in its equipment necessary for Interconnection or for access to Network Elements on an unbundled basis which has been installed and maintained at the premises of a second Party (the "Housing Party"). Collocation may be "physical" or "virtual." In "Physical Collocation," the Collocating Party installs and maintains its own equipment in the Housing Party's premises. In "Virtual Collocation," the Housing Party installs and maintains the collocated equipment in the Housing Party's premises.

1.10 "Commission" or "PUC" means the Public Utility Commission of Texas.

1.11 "Common Channel Signaling" or "CCS" is a special network, fully separate from the transmission path of the public switched network, that digitally transmits call set-up

and network control data. Unless otherwise agreed by the Parties, the CCS used by the Parties shall be SS7.

1.12 "Cross Connection" means a connection provided pursuant to Collocation at the Digital Signal Cross Connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party.

1.13 "Dialing Parity" is as defined in the Act. As used in this Agreement, Dialing Parity refers to both Local Dialing Parity and Toll Dialing Parity.

1.14 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.15 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.16 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

1.17 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.18 "End User" means a third-party residence or business that subscribes to Telecommunications Services provided by either of the Parties.

1.19 "Exchange Message Record" or "EMR" means the standard used for exchange of Telecommunications message information among Telecommunications Carriers for billable, non-billable, sample, settlement and study data. FMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

1.20 "Exchange Access" is as defined in the Act.

1.21 "FCC" means the Federal Communications Commission.

1.22 "Fiber-Meet" means an Interconnection architecture method whereby the Parties physically Interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location.

1.23 "Interconnection" is as Described in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the

purpose of transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic.

1.24 "Interconnection Activation Date" is the date that the construction of the joint facility Interconnection arrangement has been completed, trunk groups have been established, and joint trunk testing is completed.

1.25 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services. For purposes of Section 6.0 of this Agreement, the term "IXC" includes any entity which purchases FGB or FGD Switched Exchange Access Service in order to originate or terminate traffic to/from MFS's end users.

1.26 "Interim Number Portability" or "INP" is as described in the Act.

1.27 "InterLATA" is as defined in the Act.

1.28 "IntraLATA Toll Traffic" means those intraLATA station calls that are not defined as Local Traffic in this Agreement.

1.29 "Local Access and Transport Area" or "LATA" is as defined in the Act.

1.30 "Local Traffic," for purposes of intercompany compensation, means traffic that originates and terminates between or among end users within a SWBT local calling area as defined in SWBT tariffs and any successor tariffs, including mandatory local calling scope arrangements but excluding Optional EAS areas. Mandatory Local Calling Scope is an arrangement that requires end users to subscribe to a local calling scope beyond their basic exchange serving area. In no event shall the Local Traffic area for purposes of local call termination billing between the Parties be decreased during the Term of this Agreement.

1.31 "Local Exchange Carrier" or "LEC" is as defined in the Act.

1.32 "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).

1.33 "MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of access services provided to an IXC by two or more LECs, or by one LEC in two or more states within a single LATA. The latest release is issue No. 5, dated June 1994.

1.34 "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided to an IXC by two or more telecommunications providers. The latest release is issue No. 3, dated February 1996.

1.35 "Meet-Point Billing" or "MPB" refers to a billing arrangement whereby two or more Telecommunications Carriers jointly provide for switched access service to an IXC, with each LEC receiving an appropriate share of its switched access revenues as defined by its effective access tariffs.

1.36 "Metropolitan Exchange Area" means a geographical area defined in SWBT current tariffs effective June, 1996 as a metropolitan exchange local calling area. For example, Dallas, Ft. Worth, Houston, San Antonio, Austin and Corpus Christi are each separate Metropolitan Exchange Areas.

1.37 "Network Element Bona Fide Request" means the process described on Exhibit A that prescribes the terms and conditions relating to a Party's request that the other Party provide a Network Element.

1.38 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.39 "Number Portability" is as defined in the Act.

1.40 "NXX" means the three-digit code which appears as the first three digits of a seven digit telephone number.

1.41 "Optional EAS," as used in this Agreement, means the geographic areas throughout which end users can pay a distinct charge to enlarge their flat-rate calling scope. These areas are depicted in Schedule 5.0. Optional EAS need not be distinguished from Local Traffic for the purpose of routing and transmission of traffic over the network, but is distinguished from Local Traffic for purposes of Reciprocal Compensation.

1.42 "Party" means either SWBT or MFS, and "Parties" means SWBT and MFS.

1.43 "Rate Center" means the specific geographic point which has been designated by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center. Rate Centers will be identical for each Party until such time as MFS is permitted by an appropriate regulatory body to create its own Rate Centers within an area.

1.44 "Reciprocal Compensation" is as Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Telecommunications originating on one Party's network and terminating on the other Party's network.

1.45 "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for inbound traffic to one or more of its NPA-NXX codes. The Routing Point is also used to calculate mileage measurements for the distance-sensitive transport element charges of Switched Exchange Access Services. Pursuant to Bell Communications Research, Inc. ("Bellcore") Practice BR 795-100-100 (the "Bellcore Practice"), the Routing Point (referred to as the "Rating Point" in such Bellcore Practice) may be an End Office Switch location, or a "LEC Consortium Point of Interconnection." Pursuant to such Bellcore Practice, each "LEC Consortium Point of Interconnection" shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, Routing Points associated with each NPA-NXX need not be the same as the corresponding Rate Center, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center; provided only that the Routing Point associated with a given NPA-NXX must be located in the same LATA as the Rate Center associated with the NPA-NXX.

1.46 "Switched Exchange Access Service" means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of Telephone Toll Service. Switched Exchange Access Services include, but are not necessarily limited to: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access services.

1.47 "Synchronous Optical Network" or "SONET" means an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps (OC-1/STS-1) and higher rates are direct multiples of the base rate, up to 13.22 Gbps.

1.48 "Technically Feasible Point" is as described in the Act.

1.49 "Telecommunications" is as defined in the Act.

1.50 "Telecommunications Act" means the Telecommunications Act of 1996 and any rules and regulations promulgated thereunder.

1.51 "Telecommunications Carrier" is as defined in the Act.

1.52 "Telecommunications Service" is as defined in the Act.

1.53 "Telephone Exchange Service" is as defined in the Act.

1.54 "Telephone Toll Service" is as defined in the Act.

1.55 "Wire Center" means an occupied structure or portion thereof in which a Party has the exclusive right of occupancy and which serves as a Routing Point for Switched Exchange Access Service.

2.0 INTERPRETATION AND CONSTRUCTION

All references to Sections, Exhibits, Schedules, and Appendices shall be deemed to be references to Sections of, and Exhibits, Schedules and Appendices to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms defined in Schedule 1.0 are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including SWBT or other third party offerings, guides or practices), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

3.0 IMPLEMENTATION SCHEDULE AND INTERCONNECTION ACTIVATION DATES

Subject to the terms and conditions of this Agreement, Interconnection of the Parties' facilities and equipment pursuant to Sections 4.0, 5.0 and 6.0 for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic shall be established on or before the corresponding "Interconnection Activation Date" shown for each such Metropolitan Exchange Area on Schedule 3.0. Schedule 3.0 may be revised and supplemented from time to time upon the mutual agreement of the Parties to reflect the Interconnection of additional Metropolitan Exchange Areas pursuant to Section 4.5 by attaching one or more supplementary schedules to such schedule.

4.0 INTERCONNECTION PURSUANT TO SECTION 251(c)(2)

4.1 Scope

Section 4.0 describes the physical architecture for Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to Section 251(c)(2) of the Act. Exhibit C prescribes the specific trunk groups (and traffic routing parameters) which will be configured over the physical connections described in this Section 4.0 to provide the facilities for the transmission and routing of Telephone Exchange Service traffic (as described in Section 5.0), Exchange Access traffic (as described in Section 6.0), LSV/BLI traffic (as described in Section 7.2), E911/911 traffic (as described in Section 7.5), and Directory Assistance traffic (as described in Section 7.6). Use of this physical connection shall be limited to the trunk groups described in Exhibit C, until such time as the Parties mutually agree to expansion of the use of this physical connection.

4.2 Physical Architecture

Unless otherwise mutually agreed, in each Metropolitan Exchange Area identified on Schedule 3.0, MFS and SWBT shall jointly engineer and operate a single Synchronous Optical Network ("SONET") transmission system by which they shall Interconnect their networks for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to Section 251(c)(2) of the Act. This SONET transmission system shall be configured as illustrated in Exhibit B, and engineered, installed, and maintained as described in this Section 4.0 and in the Joint Grooming Plan (as defined in Section 8.6).

4.2.1 Unless otherwise mutually agreed, the Parties shall install Fujitsu Optical Line Terminating Multiplexor ("OLTM") equipment at each end of the SONET transmission system.

4.2.2 Each Party shall, at its own expense, procure, install and maintain the agreed upon OLTM, multiplexing and fiber equipment in its respective Interconnection Wire Center ("IWC") as illustrated on Exhibit B and set forth in Schedule 3.0, in capacity sufficient to provision and maintain all trunk groups described in Exhibit C.

4.2.3 Each Party shall designate a manhole or other suitable entry-way immediately outside its IWC as a Fiber-Meet entry point, and shall make all necessary preparations to receive, and to allow and enable the other Party to deliver a single mode fiber optic cable into that manhole.

4.2.4 Each Party shall, at its own expense, provide and maintain from its IWC to the designated manhole or other suitable entry-way immediately outside the other Party's IWC a single mode fiber optic cable with sufficient spare length to reach the OLTM equipment

in the IWC. To the extent facilities are available, the Parties will use their best efforts to provide physically separate routes for the fiber.

4.2.5 Each Party shall pull the other Party's fiber optic cable from its designated manhole/entry-way into its IWC and through appropriate internal conduits utilized for fiber optic facilities and shall connect the other Party's cable to the OLT equipment.

4.2.6 Each Party shall use its best efforts to ensure that fiber received from the other Party will enter the Party's Wire Center through a point separate from that which the Party's own fiber exited.

4.2.7 The Parties shall jointly coordinate and undertake maintenance of the SONET transmission system. Each Party shall be responsible for maintaining the components of the SONET transmission system as illustrated on Exhibit B.

4.3 Interim Alternative Physical Architecture

4.3.1 The Parties may mutually agree to interconnect via an electrical interface instead of the SONET transmission system for some mutually defined interim period. In the event either Party requires termination of the interim connection on or before twelve (12) months from the Interconnection Activation Date, the requesting Party shall pay the nonrequesting Party applicable tariffed or contract charges for facility rearrangements not to exceed \$1,000 per DS3 and/or \$280 per DS1. Notwithstanding the foregoing, such facility rearrangement charges will not be applied to the Dallas interconnection arrangement.

4.3.2 This electrical interface interim alternative architecture shall occur over a Collocation at a mutually agreeable Wire Center in accordance with Section 12.0 or any other arrangement to which the Parties may agree.

4.3.3 During any Interim Period, specific trunk groups (and traffic routing parameters) prescribed in Exhibit C and Sections 5.0, 6.0, and 7.0 will be configured over the alternate physical architecture, unless otherwise mutually agreed.

4.3.4 During the Dallas Interim Period, neither Party shall charge the other Party for Collocation Cross Connection for trunk groups delivered via Collocation.

4.3.5 Unless otherwise mutually agreed, the requesting Party will provide written notice of the need to transition to a SONET transmission system for the applicable Metropolitan Exchange Area pursuant to Section 4.2 at least 150 days prior to the desired facility transition date.

4.4 Technical Specifications

4.4.1 MFS and SWBT shall work cooperatively to install and maintain a reliable network. MFS and SWBT shall exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government and such other information as the Parties shall mutually agree) to achieve this desired reliability.

4.4.2 MFS and SWBT shall work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

4.4.3 The following list of publications describe the practices, procedures, specifications and interfaces generally utilized by SWBT and are listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Electrical/Optical Interfaces:

SWBT Technical Publication TP-76839 - SONET Transmission Requirements - Performance and Interface Specifications, Issue 1, January 1996, or the most current version.

SWBT Technical Publication TP-76625 - High Capacity Digital Service (1.544 Mbs and 44.736 Mbs Requirements and Transmission Limits, Issue 1, June 1990, or the most current version.

4.5 Interconnection in Additional Metropolitan Exchange Areas

4.5.1 If MFS determines to offer Telephone Exchange Services in any other Metropolitan Exchange Areas in which SWBT also offers Telephone Exchange Services, MFS shall provide written notice to SWBT of the need to establish Interconnection in such Metropolitan Exchange Areas pursuant to this Agreement.

4.5.2 The notice provided in Section 4.5.1 shall include (i) the initial Routing Point MFS has designated in the Metropolitan Exchange Area; (ii) MFS's requested Interconnection Activation Date; and (iii) a non-binding forecast of MFS's trunking requirements.

4.5.3 Unless otherwise agreed by the Parties, the Parties shall designate the Wire Center MFS has identified as its initial Routing Point in the Metropolitan Exchange Area as the MFS Interconnection Wire Center ("MIWC") in that Metropolitan Exchange Area and shall designate the SWBT Tandem Office Wire Center within the Metropolitan Exchange Area nearest to the MIWC (as measured in airline miles utilizing the V&H coordinates method) as the SWBT Interconnection Wire Center ("SIWC") in that Metropolitan Exchange Area.

4.5.4 Unless otherwise agreed by the Parties, the Interconnection Activation Date in each new Metropolitan Exchange Area shall be the one-hundred and fiftieth (150th) day following the date on which MFS delivered notice to SWBT of the need to establish Interconnection pursuant to Section 4.5.1. Within ten (10) business days of SWBT's receipt of MFS's notice, SWBT and MFS shall confirm the SIWC, the MIWC and the Interconnection Activation Date for the new Metropolitan Exchange Area by attaching a supplementary schedule to Schedule 3.0.

4.6 SONET Capacity Provisioning

Unless otherwise agreed, the Parties shall use the following approach to jointly provision/size the interconnection OLTMs with the intent being to minimize investment, deploy facilities in a "just in time" fashion, and avoid a facilities exhaust situation.

4.6.1 The initial fiber optic system deployed for each interconnection shall be the smallest standard available, unless the mutually agreed upon forecast over a two year period would dictate otherwise. For SONET this is an OC-3 system.

4.6.2 The Parties will take action to provide relief to existing facilities when (i) either Party provides written notice to the other that the overall system facility (DS1s) is at 80% capacity, or (ii) the Parties agree that the overall system facility will exhaust within 90 days. The joint planning process/negotiations should be completed no later than thirty (30) days after such notification or agreement. Because the quantity of traffic and rate of growth will be difficult to predict during the first two years of implementation, the Parties will use their best efforts to expand capacity on an "as needed" basis.

4.6.3 Both Parties will perform an annual joint validation to ensure current trunk groups do not have excess capacity as defined in Section 8.0. If any trunk groups have excess capacity, trunks will be turned down as appropriate. If the trunk group resizing lowers the fill level of the system below 80%, the growth planning process will be suspended and will not be reinitiated until a 80% fill level is achieved. Trunk design blocking criteria described in Section 8.0 will be used in determining trunk group sizing requirements and forecasts.

4.6.4 If based on the forecasted equivalent DS1 growth, the existing fiber optic system is not projected to exhaust within one year, the Parties will suspend further relief planning on this SONET interconnection until a date one year prior to the projected exhaust date. If growth patterns change during the suspension period, either Party may re-initiate the joint planning process.

4.6.5 If the placement of a minimum size OLTM will not provide adequate augmentation capacity for the joint forecast over a two-year period, and the forecast appears reasonable based upon history, the next larger system size shall be deployed. In the case of a SONET system, the OC-3 system will be upgraded to an OC-12 or higher. If the forecast does

not justify a move to the next larger system, another minimal size system (such as OC-3) will be placed. This criteria assumes both Parties would negotiate placement of additional fibers or higher bit rate systems.

4.6.6 Both Parties will negotiate a project service date and corresponding work schedule to construct relief facilities in an effort to achieve "just in time" deployment.

5.0 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC PURSUANT TO SECTION 251(c)(2)

5.1 Scope of Traffic

This Section 5.0 prescribes parameters for Traffic Exchange trunk groups the Parties shall establish over the Interconnections specified in Section 4.0. The Traffic Exchange trunk groups specified in this Section 5.0 and in Exhibit C shall be employed by the Parties for the transmission and routing of all Local and IntraLATA Toll Traffic between the Parties' respective Telephone Exchange Service end users.

5.2 Measurement and Billing

5.2.1 For billing purposes, each Party shall, unless otherwise agreed, pass the originating call record for the recording, record exchange and billing of traffic using the guidelines as set forth in the Technical Exhibit Settlement Procedures (TESP), provided by SWBT to MFS.

5.2.2 Measurement of all billing minutes shall be in actual conversation seconds. In each billing period, total conversation seconds shall be rounded to the next whole minute for billing purposes.

5.2.3 Where one Party is passing CPN but the other Party is not properly receiving the information, the Parties shall cooperatively work to correctly rate the traffic.

5.3 Reciprocal Compensation Arrangements -- Section 251(b)(5)

5.3.1 Reciprocal Compensation applies for transport and termination of Local Traffic and Optional EAS Traffic which a Telephone Exchange Service end user originates on SWBT's or MFS's network for termination on the other Party's network.

5.3.2 The Parties shall mutually and reciprocally compensate each other for transport and termination of Local Traffic at the rates provided in the Pricing Schedule. For purposes of Section 28.16, the Parties acknowledge that the Reciprocal Compensation rate for Local Traffic listed in the Pricing Schedule is not comparable to Local Traffic termination

rates SWBT may establish with others which may reflect different rates for calls terminated to a tandem and for calls terminated to an end office. The Parties agree that the Reciprocal Compensation rate listed for Local Traffic in the Pricing Schedule is designed to compensate each Party for transport and termination of Local Traffic from the single point of Interconnection in each Metropolitan Exchange Area to the ultimate end user including all transport and/or intermediary switching and/or final switching. To this extent, the Reciprocal Compensation rate listed for Local Traffic in the Pricing Schedule is tied directly to the Interconnection network architectures specified in Section 4.0 and to the trunk configuration criteria and procedures specified in this Section 5.0 and Exhibit C. Any other requested Interconnection architecture will require renegotiation of rates.

5.3.3 The Parties shall mutually and reciprocally compensate each other for transport and termination of Optional EAS Traffic at the rates provided in the Pricing Schedule. Maps and lists depicting Optional EAS Traffic areas are attached as Schedule 5.0.

5.3.4 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to IntraLATA Toll calls. Each Party shall bill the other Party for transport and termination of such calls according to rates, terms, and conditions contained in that Party's effective Switched Access tariffs.

5.3.5 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service. Compensation for such jointly provided services are set forth in Section 6.0 and shall continue to be governed by the terms and conditions of the applicable federal and state tariffs.

5.3.6 Compensation for transport and termination of all traffic which has been subject to performance of INP by one Party for the other Party pursuant to Section 13.0 shall be as specified in Section 13.5.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(c)(2)

6.1 Scope of Traffic

Section 6.0 prescribes parameters for certain trunk groups ("Access Toll Connecting Trunks") to be established over the Interconnections specified in Section 4.0 for the transmission and routing of Exchange Access traffic between MFS Telephone Exchange Service end users and Interexchange Carriers via a SWBT access tandem.

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 The Parties shall jointly establish Access Toll Connecting Trunks as described in Exhibit C, by which they will jointly provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable MFS's end users to originate and terminate traffic to/from such Interexchange Carriers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Switched Exchange Access to allow MFS end users to originate and terminate traffic to/from any Interexchange Carrier which is connected to a SWBT Access Tandem. In addition, the trunks shall be used to allow MFS's end users to connect to, or be connected to, the 800 Services of any Telecommunications Carrier connected to the SWBT Access Tandem.

6.2.3 The Parties shall jointly determine which SWBT access Tandem(s) will be sub-tended by each MFS End Office Switch. Except as otherwise agreed by the Parties, SWBT shall allow each MFS End Office Switch to sub-tend the Access Tandem nearest to the Routing Point associated with the NXX codes assigned to that End Office Switch and shall not require that a single MFS End Office Switch sub-tend multiple Access Tandems, even in those cases where such End Office Switch serves multiple Rate Centers.

6.3 Meet-Point Billing Arrangements

6.3.1 MFS and SWBT agree to establish Meet-Point Billing arrangements in order to provide Switched Exchange Access Services to Interexchange Carriers via a SWBT Access Tandem Switch over the Access Toll Connecting Trunks described above, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein. MFS's Meet-Points with SWBT shall be those identified in Schedule 3.

6.3.2 Billing to Interexchange Carriers for the Switched Exchange Access Services jointly provided by the Parties via Meet-Point Billing arrangement shall be according to the multiple bill/single tariff method. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides. For the purpose of this Agreement, MFS is the Initial Billing Company (IBC) and SWBT is the Subsequent Billing Company (SBC). The assignment of revenues, by rate element, and the Meet-Point Billing percentages applicable to this Agreement are set forth in the Meet Point Billing Arrangement Revenue Assignment Schedule. The actual rate values for each element shall be the rates contained in that Party's own effective applicable access tariffs.

6.3.3 Meet-Point Billing shall also apply to all jointly provided minutes of use traffic bearing the 900, 800, and 888 NPAs or any other non-geographic NPAs which may likewise be designated for such traffic in the future where the responsible party is an Interexchange Carrier. For 800 database queries performed by SWBT, SWBT will charge the

provider of the Signaling Service Point for the database query in accordance with standard industry practices.

6.3.4 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this Meet-Point Billing arrangement, including Meet-Point Billing percentages. MFS shall use its best efforts to include in such tariff the billing percentages and associated information as a nonmember of NECA.

6.3.5 Each Party shall coordinate and exchange the billing account reference ("BAR") and billing account cross reference ("BACR") numbers for the Meet Point Billing service. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number.

6.3.6 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Exchange Access Services traffic jointly handled by the Parties via the Meet-Point Billing arrangement. The Parties will exchange the information in Exchange Message Record (EMR) format, on magnetic tape or via a mutually acceptable electronic file transfer protocol as described below:

(i) SWBT will perform assembly and editing, message processing and provision of Access Usage Records (AUR). The records will be generated by SWBT and provided to MFS on a weekly basis no later than fourteen (14) days from the last day of recorded usage in that week; and

(ii) MFS will provide Summary Usage Records (SUR) to SWBT within ten (10) working days of sending MFS's bills to the IXC.

6.3.7 Each Party reserves the right to charge the other Party for the recording/processing functions it performs pursuant to 6.3.6 on nondiscriminatory terms and conditions.

6.3.8 Errors may be discovered by MFS, the IXC or SWBT. Both SWBT and MFS agree to provide the other Party with notification of any discovered errors within two (2) business days of the discovery.

6.3.9 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within 60 days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) months of prior usage data, if available.

6.3.10 SWBT shall provide to MFS the billing name, billing address, and CIC of the IXCs in order to comply with the MPB Notification process as outlined in the MECAB document and pursuant to OBF guidelines.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 Information Services Traffic

7.1.1 At such time as the Parties shall agree to route intraLATA Information Services Traffic to one another, they shall agree to exchange rating and billing information to effectively allow the Parties to bill their end users and to charge reciprocal rates.

7.2 Line Status Verification/Busy Line Interrupt Traffic

7.2.1 Line Status Verification ("LSV") is performed when one Party's end user requests assistance from the operator bureau to determine if the called line of the other Party is in use, however, the operator bureau does not complete the call for the end user initiating the LSV inquiry.

7.2.2 Busy Line Interrupt ("BLI") is performed when one Party's operator bureau interrupts a telephone call in progress after LSV has occurred. The operator bureau will interrupt the busy line and inform the called party that there is a call waiting. The operator bureau will only interrupt the call and will not complete the telephone call of the end user initiating the BLI request.

7.2.3 Each Party's operator bureau shall accept LSV and BLI inquiries from the operator bureau of the other Party in order to allow transparent provision of LSV/BLI Traffic between the Parties' networks. Only one LSV attempt will be made per end user operator bureau call, and the applicable charge shall apply whether or not the called party releases the line. Only one BLI attempt will be made per end user operator telephone call, and the applicable charge shall apply whether or not the called party releases the line.

7.2.4 Each Party shall route LSV/BLI Traffic inquiries between the Parties' respective operator bureaus over trunks described in Exhibit C.

7.2.5 Each Party shall compensate the other Party for LSV/BLI Traffic as set forth on the Pricing Schedule.

7.3 Transit Service

7.3.1 The Parties shall provide and compensate one another for Transit Service on the terms and conditions set forth in this section 7.3.

7.3.2 "Transit Service" means (i) the delivery of Local Traffic between MFS and a third party which subtends a SWBT tandem by SWBT over Traffic Exchange trunks or (ii) the delivery of Local Traffic between SWBT and a third party which subtends an MFS tandem by MFS over the Traffic Exchange trunks. Charges for Transit Service are listed in the Pricing Schedule, assessed on a minute of use basis, and are owed by the originating service provider except as set forth in Section 7.3.5.

7.3.3 In addition, MFS may also exchange IntraLATA Toll Traffic between its Telephone Exchange Service end users and third party LECs over the Traffic Exchange trunk groups. Such IntraLATA Toll Traffic shall not be subject to a transit charge but shall instead be billed by SWBT to MFS as Switched Exchange Access Service.

7.3.4 MFS represents that it shall not send Local Traffic to SWBT that is destined for the network of a third party unless and until MFS has the authority to exchange traffic with the third party.

7.3.5 While the Parties agree that it is the responsibility of each third party to enter into arrangements to deliver Local Traffic to MFS, they acknowledge that such arrangements are not currently in place and MFS wants an interim arrangement to ensure traffic completion. Accordingly, until the earlier of (i) the date on which SWBT has entered into a transit arrangement with such third party to deliver Local Traffic through SWBT to MFS or (ii) one hundred and eighty (180) days after the Interconnection Activation Date, SWBT will deliver and MFS will terminate Local Traffic originated from such third party without charge other than SWBT's charge to MFS for Transit Service to the extent the originating service provider is not obliged by contract or tariff to pay SWBT a fee for such transit service. If after 180 days SWBT has not finalized transiting arrangements with applicable third parties, SWBT will continue to deliver and MFS will terminate such traffic without charge to each other.

7.3.6 SWBT expects that all networks with CCS involved in Transit Service will deliver each call to each involved network with CCS and the appropriate Transactional Capabilities Application Part ("TCAP") message to facilitate full interoperability and CCS billing functions. In all cases, the Parties are responsible to follow the Exchange Message Record ("EMR") standard and exchange records between the Parties and the terminating third party to facilitate the billing process to the originating network.

7.4 Cellular Traffic

Section 7.4 sets forth the terms and conditions under which the Parties will distribute revenue from their joint provision of Cellular Interconnection Service for calls terminating through the Parties' respective wireline switching networks within a LATA over the Traffic Exchange trunk groups. MFS shall be compensated under this Section 7.4 only to the extent that it has not otherwise already been compensated directly from the Cellular Mobile

Carrier ("CMC") under other tariffs, settlement agreements or contracts. This Section 7.4 is subject to the terms and conditions of applicable tariffs.

7.4.1 SWBT will compute, bill, collect and distribute the revenue for jointly provided Cellular Interconnection Service for terminating traffic (i.e., that traffic which is delivered by a CMC to SWBT for termination at a point on the intraLATA wireline switching network). On jointly provided Cellular Interconnection Service, SWBT shall distribute a portion of the Local Transport (LT) Revenues to MFS for its part in terminating traffic from the CMC. SWBT shall distribute applicable Local Switching (LS), and Carrier Common Line (CCL) charges, and Residual Interconnection Charge (RIC), if any, which are collected from the CMC to MFS. When traffic is originated by either Party to a CMC which cannot be specifically identified as CMC traffic, such traffic will be treated as end user-to-end user traffic and the appropriate compensation rate will apply. If either Party enters into an interconnection agreement with a CMC which would require compensation for such traffic, MFS and SWBT agree to meet and negotiate a new compensation agreement for this jointly handled traffic.

7.4.2 Distribution of revenues will be computed using the rate elements as defined in SWBT's applicable Cellular Mobile Telephone Interconnection Tariff.

7.4.3 For Terminating Traffic, actual monthly cellular MOU for each office in the LATA will be measured by SWBT or provided to SWBT by the CMC in those cases where SWBT is unable to measure the actual terminating usage.

7.4.4 SWBT will prepare a revenue and usage statement on a monthly basis. Within ninety (90) calendar days after the end of each billing period, SWBT shall remit the compensation amount due MFS. When more than one compensation amount is due, they may be combined into a single payment. No distribution shall be made for revenue SWBT is unable to collect, unless its inability to collect such revenue is due to its own negligence.

7.4.5 The revenue and usage statement will contain the following information:

- (a) The number of MOU for each MFS end office, the corresponding rate elements to be applied to the MOU for each end office, and the resulting revenues;
- (b) The total of the MOU and revenues for MFS;
- (c) The percent ownership factor used to calculate the distribution of Local Transport revenues; and,
- (d) Adjustments for uncollectibles.

7.4.6 The Parties agree that revenue distribution under this Section 7.4 will apply as of the Interconnection Activation Date. SWBT will start revenue distribution on usage within 90 calendar days from that date.

7.4.7 SWBT will apply the Transit Traffic rate to MFS for calls which originate on MFS's network and are sent to SWBT for termination to a CMC as long as such Traffic can be identified as Cellular Traffic. Similarly, in the event calls which originate on SWBT's network are sent to MFS for termination to a CMC, MFS will apply the Transit Traffic rate to SWBT for those calls.

7.4.8 SWBT agrees to accept CMC Terminating Traffic from MFS under terms and conditions no less favorable to SWBT than those that apply to MFS in this Section 7.4.

7.5 911 Service

7.5.1 Pursuant to Section 271(c)(2)(B)(vii) of the Act, SWBT will make nondiscriminatory access to 911 service available under the terms and conditions of Appendix 911, attached hereto and incorporated by reference.

7.5.2 MFS shall route 911 traffic over trunks as described in Exhibit C.

7.6 Directory Assistance Service

7.6.1 Pursuant to Section 271(c)(2)(B)(vii) of the Act, SWBT will make nondiscriminatory access to Directory Assistance service available under the terms and conditions of Appendix DA, attached hereto and incorporated by reference.

7.6.2 DA traffic shall be routed over trunks as described in Exhibit C.

7.7 Feature Group A Traffic

The Parties shall divide compensation of Feature Group A traffic between their end users in accordance with the terms and conditions of the Pricing Schedule and Appendix FGA, attached hereto and incorporated by reference.

8.0 TRUNKING CRITERIA, SIGNALING, JOINT GROOMING PLAN AND INSTALLATION, MAINTENANCE, TESTING AND REPAIR

8.1 Trunk Design Blocking Criteria

Trunk forecasting and servicing for the trunk groups included in Exhibit C shall be based on the industry standard objective of 2% overall time consistent average busy season busy hour loads (1% from the End Office to the Tandem and 1% from tandem to End Office based on Neal Wilkinson B.01M [Medium Day-to-Day Variation] until traffic data is available). Listed below are the trunk group types and their objectives:

| <u>Trunk Group Type</u> | <u>Blocking Objective (Neal Wilkinson M)</u> |
|--------------------------------------|--|
| Traffic Exchange Trunks | |
| Local Tandem | 1% |
| IntraLATA Toll Tandem | 1% |
| Combined IntraLATA Toll/Local Tandem | 1% |
| High Usage Direct End Office | ECCS |
| 911 | 1% |
| DA/DACC | 1% |
| LSV/BLVI | 1% |
| Access Toll Connecting | 0.5% |

8.2 Forecasting/Servicing Responsibilities

Both Parties agree to provide an initial forecast for establishing the initial interconnection facilities. Subsequent forecasts will be provided on a semiannual basis (January and July). Trunk servicing will be performed on a monthly basis at a minimum. SWBT shall be responsible for forecasting and servicing the trunk groups terminating to MFS. MFS shall be responsible for forecasting and servicing the trunk groups originating from MFS, including trunks for operator services, DA service, and interLATA toll service. Standard trunk traffic engineering methods will be used as described in Bell Communications Research, Inc. (Bellcore) document SR-TAP-000191, Trunk Traffic Engineering Concepts and Applications.

8.3 Servicing Objective/Data Exchange

Each Party agrees to service trunk groups to the foregoing blocking criteria in a timely manner when trunk groups exceed measured blocking thresholds on an average time consistent busy hour for a 20 business day study period. Upon request, each Party will make available to the other, trunk group measurement reports for trunk groups terminating in the requesting Party's network. These reports will contain offered load, measured in Centum CS (100 call

seconds), that has been adjusted to consider the effects of overflow, retries and day-to-day variation. They will also contain overflow Centum CS associated with the offered load, day-to-day variation, peakedness factor, the date of the last week in the four week study period and the number of valid days of measurement. These reports shall be made available at a minimum on a semi-annual basis upon request.

8.4 Trunk Facility Under Utilization

At least once a year the Parties shall exchange trunk group measurement reports for trunk groups terminating to the other Party's network. Each Party will determine the required trunks for each of the other Party's trunk groups for the previous 12 months. Required trunks will be based on the objective blocking criteria included in Section 8.1 and time consistent average busy hour usage measurements from the highest 4 consecutive week (20 business day) study. Trunk groups with excess capacity will be identified to the other Party as eligible for downsizing. Excess capacity exists when a trunk group, on a modular trunk group design basis, has 48 trunks (2 modular digroups) or 10%, whichever is larger, over the required number of trunks.

The party with excess trunking capacity will assess the trunk capacity based on forecasted requirements and agrees to disconnect trunks in excess of forecasted requirements for the next twelve (12) months. If after twelve (12) months the trunk group continues to have excess capacity the party agrees to take timely steps to disconnect all excess capacity.

8.5 Signaling

8.5.1 Where available, CCS signaling shall be used by the Parties to set up calls between the Parties' Telephone Exchange Service networks. If CCS signaling is unavailable, MF (Multi-Frequency) signaling shall be used by the Parties. Each Party shall charge the other Party equal and reciprocal rates for CCS signaling in accordance with applicable tariffs. During the Term of this Agreement neither Party shall charge the other Party additional usage-sensitive rates for SS7 queries made for Local Traffic.

8.5.2 The following list of publications describe the practices, procedures and specifications generally utilized by SWBT for signaling purposes and are listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to signaling:

SWBT Technical Publication, TP-76638 - Common Channel
Signaling Network Interface Specifications

GR-000246-CORE, Bell Communications Research
Specifications of Signaling System 7

GR-000317-CORE, Switching System Requirements for Call Control Using the Integrated Services Digital Network User Part

GR-000394-CORE, Switching System Requirements for Interexchange Carrier Interconnection Using the Integrated Services Digital Network User Part

GR-000606-CORE, LATA Switching Systems Generic Requirements-Common Channel Signaling-Section 6.5

GR-000905-CORE, Common Channel Signaling Network Interface Specification Supporting Network Interconnection Message Transfer Part (MTP) and Integrated Digital Services Network User Part (ISDNUP)

8.5.3 The Parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its end users. All CCS signaling parameters will be provided including, without limitation, calling party number (CPN), originating line information (OLI), calling party category and charge number.

8.5.4 Where available and upon the request of the other Party, each Party shall cooperate to ensure that its trunk groups are configured utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

8.6 Joint Grooming Plan

On or before October 1, 1996, MFS and SWBT shall jointly develop a grooming plan (the "Joint Grooming Plan") which shall define and detail, *inter alia*,

- (a) maintenance of the SONET transmission system;
- (b) disaster recovery provisions and escalations;
- (c) the NXX migration process;
- (d) direct/high usage trunk engineering guidelines; and
- (e) such other matters as the Parties may agree.

8.7 Installation, Maintenance, Testing and Repair. SWBT's standard intervals for Feature Group D Switched Exchange Access Services will be used for Interconnection as specified in the most current SWBT Accessible Letter, currently SWA96-036, dated April 15, 1996. MFS shall meet the same intervals for comparable installations, maintenance, joint testing, and repair of its facilities and services associated with or used in conjunction with Interconnection or shall notify SWBT of its inability to do so and will negotiate such intervals in good faith.

9.0 NUMBERING

9.1 Nothing in this Agreement shall be construed to limit or otherwise adversely impact in any manner either Party's right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines¹, or to establish, by tariff or otherwise, Exchanges and Rating Points corresponding to such NXX codes. Each Party is responsible for administering the NXX codes assigned to it.

9.2 At a minimum, in those Metropolitan Exchange Areas where MFS intends to provide local exchange service, MFS shall obtain a separate NXX code for each SWBT exchange or group of exchanges that share a common mandatory calling scope as defined in SWBT tariffs to enable MFS and SWBT to identify the jurisdictional nature of traffic for intercompany compensation until such time as both Parties have implemented billing and routing capabilities to determine traffic jurisdiction on a basis other than NXX codes.

9.3 Each Party agrees to make available to the other, up-to-date listings of its own assigned NPA-NXX codes, along with associated Rating Points and Exchanges.

9.4 To the extent SWBT serves as Central Office Code Administrator for a given region, SWBT will work with MFS in a neutral and nondiscriminatory manner, consistent with regulatory requirements, in regard to MFS's requests for assignment of central office code(s) (NXX) consistent with the Central Office Code Assignment Guidelines.

9.5 It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose fees or charges on the other Party for such required programming and updating activities.

¹ Last published by the Industry Numbering Committee ("INC") as INC 95-0407-008, Revision 4/7/95, formerly ICCF 93-0729-010.

9.6 It shall be the responsibility of each Party to input required data into the Routing Data Base Systems (RDBS) and into the Bellcore Rating Administrative Data Systems (BRADS) or other appropriate system(s) necessary to update the Local Exchange Routing Guide (LERG), unless negotiated otherwise.

9.7 Neither Party is responsible for notifying the other Parties' end users of any changes in dialing arrangements, including those due to NPA exhaust, unless otherwise ordered by the Commission, the FCC, or a court.

10.0 RESALE – SECTIONS 251(c)(4) and 251(b)(1)

10.1 Availability of Wholesale Rates for Resale

SWBT shall offer to MFS for resale at wholesale rates its Telecommunications Services, as described in Section 251(c)(4) of the Act, pursuant to the terms and conditions of Appendix Resale attached hereto and incorporated herein by this reference. The Parties acknowledge that, at its option, MFS may seek to negotiate additional or different terms and conditions for resale with SWBT than those set forth in Appendix Resale.

10.2 Availability of Retail Rates for Resale

Each Party shall make available its Telecommunications Services for resale at retail rates to the other Party in accordance with Section 251(b)(1) of the Act.

11.0 NOTICE OF CHANGES – SECTION 251(c)(5)

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party. Both Parties agree to coordinate interconnection matters consistent with the requirements of the Americans with Disabilities Act (42 U.S.C. 12101) and with Sections 255 and 256 of the Act.

12.0 COLLOCATION – SECTION 251(c)(6)

12.1 SWBT shall provide to MFS Physical Collocation of equipment necessary for Interconnection (pursuant to Section 4.0) or access to Network Elements on an unbundled basis except that SWBT may provide for Virtual Collocation if SWBT demonstrates to the Commission that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. SWBT shall provide such Collocation for the purpose of Interconnection or access to Network Elements on an unbundled basis,

except as otherwise mutually agreed to in writing by the Parties or as required by the FCC or the appropriate Commission subject to applicable federal and state tariffs. Attached as Exhibit D and incorporated herein by this reference is a model Physical Collocation agreement which sets forth the standard terms and conditions applicable to such Physical Collocation arrangements.

Except as otherwise ordered by the Commission or the FCC, or as mutually agreed to by MFS and SWBT, Physical Collocation shall be available at a Central Office Switch location classified as an end office location, a serving wire center, a tandem office location, or a remote node that serves as a routing point for special access or switched access transport.

12.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, MFS agrees to provide to SWBT upon SWBT's Network Element Bona Fide Request and subject to space availability, Collocation of equipment for purposes of Interconnection (pursuant to Section 4.0) on a nondiscriminatory basis and at comparable rates, terms and conditions as MFS may provide to other third parties. MFS shall provide such Collocation subject to applicable tariffs or contracts.

12.3 At its option, either Party may elect to simultaneously have both physical and virtual collocation arrangements in the same Central Office and at a Physical Collocation site may fully utilize all such arrangements by disconnecting existing circuits and adding new circuits upon request and payment of appropriate charges.

12.4 Where MFS is Virtually Collocated on the Effective Date at a premise that was initially prepared for Physical Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises and expand that Virtual Collocation according to current procedures, or (ii) revert to its original Physical Collocation arrangement or one of similar dimensions having power and racking arrangements equivalent to those of its original Physical Collocation arrangement by entering the attached Exhibit D agreement, to the extent that space for such arrangement is available at the time of MFS's election and outstanding balances due for tariffed charges have been paid, in which case MFS shall coordinate with SWBT for rearrangement of its equipment (transmission and IDLC) and circuits, for which SWBT shall impose no conversion charge. All applicable Physical Collocation recurring charges shall apply.

12.5 Where MFS is Virtually Collocated in a premises which was initially prepared for Virtual Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises and expand that Virtual Collocation according to current procedures and applicable tariffs, or (ii) unless it is not practical for technical reasons or because of space limitations, convert its Virtual Collocation at such premises to Physical Collocation in which case MFS shall coordinate the construction and rearrangement with SWBT of its equipment (transmission and

IDLC) and circuits for which MFS shall pay SWBT at applicable tariff rates. In addition, all applicable Physical Collocation recurring and nonrecurring charges shall apply.

12.6 For both Physical Collocation and Virtual Collocation, the Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space at the Housing Party's premises as described in applicable tariffs or contracts and purchase Cross Connection if applicable, to services or facilities as described in applicable tariffs or contracts.

12.7 MFS acknowledges receipt of SWBT's Technical Publication for Physical Collocation (third revision) and agrees to comply with the terms described therein, except to the extent such terms conflict with other terms herein or those contained in the Physical Collocation agreement attached. SWBT will identify for MFS future revisions of the publication and MFS agrees to abide by them unless it notifies SWBT of its objections to same within thirty (30) days of such notification.

SECTION 251(b) PROVISIONS

13.0 NUMBER PORTABILITY – SECTION 251(b)(2)

13.1 Scope

13.1.1 The Parties shall provide Number Portability on a reciprocal basis to each other to the extent technically feasible, and in accordance with the requirements of the Act.

13.1.2 Until Number Portability is implemented by the industry as required by the Act, the Parties agree to provide INP to each other through Remote Call Forwarding and Direct Inward Dialing (DID). The Parties acknowledge that some technical limitations are inherent in the provisioning of INP through DID and Remote Call Forwarding. The Parties further agree to abide by any final order of the FCC which specifies different terms for compensation for INP than those set forth in the Pricing Schedule. In addition, the Parties agree to provide INP to each other through NXX migration, although acknowledging that such migration is not literally a type of number portability.

13.1.3 Once Number Portability is implemented, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP end user numbers to Number Portability.

13.1.4 INP services and facilities will only be provided where technically feasible, subject to the availability of facilities. INP services and facilities are not offered for SWBT operated coin telephone service.

13.1.5 Other provisions of this Section 13.0 notwithstanding, the Parties agree and stipulate as follows:

(a) The Parties shall comply with all effective FCC, Commission and/or court orders governing INP cost recovery and compensation. To the extent such an order is issued which specifically directs different treatment of INP-related payments previously made between the Parties pursuant to this Section 13.0, the Parties shall within thirty (30) days of the issuance of such order true-up all such previous INP-related payments to reflect such order. To the extent subsequent regulatory or court action overturns those provisions of such order which created the impact on the Parties' prior payments, within thirty (30) days of such action the Parties shall likewise true-up to reflect such subsequent regulatory or court action.

(b) Neither Party waives its rights to advocate its views on INP cost recovery, or to present before any appropriate regulatory or other agency its views on FCC or Commission actions pertaining to INP cost recovery.

13.2 Procedures for Providing INP Through Remote Call Forwarding

MFS and SWBT shall provide INP through Remote Call Forwarding as follows:

13.2.1 An end user of one Party ("Party A") elects to become an end user of the other Party ("Party B"). The end user elects to utilize the original telephone number(s) corresponding to the Telephone Exchange Service(s) it previously received from Party A and within the same NPA-NXX code area, in conjunction with the Telephone Exchange Service(s) it will now receive from Party B. Upon authorization by an end user, Party B will issue an associated service order to Party A, assigning the number to Party B. Party A will comply with the service order. Party A will route the forwarded traffic to Party B over the appropriate Traffic Exchange trunks.

13.2.2 Notwithstanding the above, Party A may refuse to port any number to Party B if Party A has ceased providing dial tone to the end user as of the time that Party A receives the service order from Party B to port the number. In such an instance, Party A agrees to port the number to Party B at the time that Party A restores dial tone to the end user.

13.2.3 Party B will become the customer of record for the original Party A telephone numbers subject to the INP arrangements. The billing of all collect, calling card and billed to third number calls to INP numbers will be handled through a process that is mutually agreed to by both parties. This process will be implemented in a time frame that is consistent with the appearance of first usage.

13.2.4 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel line-number-based calling cards associated with those forwarded numbers as directed by Party B. In addition, Party A will update the retained

numbers in the LIDB with the screening options provided by Party B on a per-order basis. Party B will determine which mutually agreeable screening options should be made available by Party A. In recognition of the expectation that INP will be an interim device, the inability of Party A to easily identify LIDB queries directed to ported numbers, Party B's willingness to forego any claim to a share in the revenues which may result from those queries, and other factors, the Parties agree they will not assess a charge to each other to maintain ported numbers in their respective LIDB databases.

13.2.5 Within two (2) business days of receiving notification from the end user, Party B shall notify Party A of the end user's termination of service with Party B, and shall further notify Party A as to that end user's instructions regarding its telephone number(s). Party A will reinstate service to that end user, cancel the INP arrangements for that end user telephone number(s), or redirect the INP arrangement to another INP-participating-LEC pursuant to the end user's instructions at that time.

13.3 Procedures for Providing INP Through Direct Inward Dial

Upon request, SWBT shall provide INP to MFS via Direct Inward Dial Trunks pursuant to applicable tariffs.

13.4 Procedures for Providing INP Through NXX Migration

Where either Party has activated an entire NXX for a single end user, or activated more than half of an NXX for a single end user with the remaining numbers in that NXX either reserved for future use or otherwise unused, if such end user chooses to receive service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will require development of a transition process, to be included in the Joint Grooming Plan, to minimize impact on the Network and on the end user(s)' service and will be subject to appropriate industry lead-times (currently 45 days) for movements of NXXs from one switch to another. The Party to whom the NXX is migrated will pay NXX migration charges listed in the Pricing Schedule.

13.5 Receipt of Terminating Compensation on Traffic to INP'ed Numbers

The Parties agree that under INP, the net terminating compensation on calls to INP'ed numbers will be received by each end user's chosen local service provider as if each call to the end user had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the end user's chosen local service provider. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this Section 13.5 below (or other mutually developed and agreed to arrangement) whereby the net terminating compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for

whose end user the INP is provided. The process outlined in this Section 13.5 shall not apply in the case of NXX migration pursuant to Section 13.4 since in such cases the end user's chosen provider will directly receive all terminating compensation.

13.5.1 The Parties will treat all ported calls as two separate call segments in the interLATA and intraLATA access billing and local interconnection settlement billing systems.

13.5.2 The Performing Party will quantify the total monthly terminating ported minutes of use to the Receiving Party by each Performing Party's end office.

13.5.3 The Performing Party will quantify the total monthly interstate, intrastate, and local minutes of use in those Performing Party's end offices in accordance with Section 13.5.2 above in order to determine the jurisdictional percentages. The Receiving party shall have the right to audit those percentages, not to exceed once per quarter. The Performing Party shall provide the Receiving Party with detailed summary reporting on a total calling area basis each month.

13.5.4 Each month, using the percentages developed pursuant to Section 13.5.3 above, the Performing Party will calculate by end office the interstate and intrastate access adjustment amounts from the initial billing amounts under Section 13.5.1 for subsequent payment to the Receiving party. This adjustment will be based on the Performing Party's interstate and intrastate access rates utilizing the applicable rate elements, i.e., carrier common line (CCL), residual interconnection charge (RIC), local switching (LS), local transport termination (LTT), and local transport facility (LTF).

13.5.5 Each month the Performing Party will calculate a local interconnection settlement billing credit related to the interstate and intrastate (non-local) ported calls from the initial billing amounts under Section 13.5.1. The billing credit for these non-local calls will be included with the calculation under Section 13.5.4 for subsequent reimbursement to the Performing Party on a net payment basis by the Receiving Party.

13.5.6 Each month, the Performing Party will calculate an Optional EAS settlement additive payable to the Receiving Party applicable to the nontoll ported volumes remaining after the computations under Sections 13.5.3, 13.5.4, and 13.5.5. This will be based on the monthly relationship of Local and Optional EAS volumes of nonported Traffic that the Performing Party originates to the Receiving Party. The EAS settlement additive will be included with the calculations under 13.5.4 for subsequent reimbursement to the Receiving Party by the Performing Party.

13.5.7 The net terminating compensation will be reflective of the following:

(Local Traffic times the Reciprocal Compensation Rate set forth in the Pricing Schedule) plus (Optional EAS traffic times the

Optional EAS compensation rate set forth in the Pricing Schedule) plus (Intrastate Access Traffic times SWBT's applicable intrastate access rates) plus (Interstate Access Traffic times SWBT's applicable interstate access rates).

14.0 DIALING PARITY – SECTION 251(b)(3) and 271(e)(2)

14.1 The Parties shall provide Local Dialing Parity to each other as required under Section 251(b)(3) of the Act.

14.2 SWBT shall provide IntraLATA Dialing Parity in accordance with Section 271(e)(2) of the Act.

15.0 ACCESS TO RIGHTS-OF-WAY – SECTION 251(b)(4)

Each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it owns or controls in accordance with Section 224 of the Act on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable tariffs and/or standard agreements.

16.0 DATABASE ACCESS

In accordance with Section 271 of the Act, SWBT shall provide MFS with nondiscriminatory access to databases and associated signaling necessary for call routing and completion. When requesting access to databases not otherwise provided for in this Agreement, or appropriate interfaces, regardless of whether they constitute unbundled Network Elements, MFS will use the Network Element Bona Fide Request process.

17.0 COORDINATED SERVICE CALLS

17.1 Referral Announcement. When an end user changes its service provider from SWBT to MFS, or from MFS to SWBT, and does not retain its original telephone number, the Party formerly providing service to such end user shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the end user's new number to the extent the new number is listed. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the end user, for a period of not less than one hundred eighty (180) days after the date the end user changes its telephone number in the case of business end users and not less than ninety (90) days after the date the end user changes its telephone number in the case of residential end users. However, if either

Party provides Referral Announcements for a period longer than the above respective periods when its end users change their telephone numbers, such Party shall provide the same level of service to end users of the other Party.

17.2 Coordinated Repair Calls. The Parties will employ the following procedures for handling misdirected repair calls:

- (a) The Parties will inform their respective end users of the correct telephone numbers to call to access their respective repair bureaus.
- (b) To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number.

In responding to repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers or to market services, nor shall they initiate extraneous communications beyond the direct referral to the correct repair telephone number.

- (c) The Parties will provide their respective repair contact numbers to one another on a reciprocal basis.

18.0 OTHER SERVICES

18.1 White Pages. In accordance with Section 271(c)(2)(B) of the Act, SWBT will make nondiscriminatory access to White Pages service available under the terms and conditions of Appendix WP, attached hereto and incorporated by reference.

18.2 Calling Name Information. The Parties shall provide, on mutually agreeable and reciprocal terms, each other with access to Calling Name information of their respective end users whenever one Party initiates a query from a Signaling System Point for such information associated with a call terminating to an end user who subscribes to a calling name service.

19.0 GENERAL RESPONSIBILITIES OF THE PARTIES

19.1 SWBT and MFS shall each use their best efforts to meet the Interconnection Activation Dates.

19.2 Each Party is individually responsible to provide facilities within its network which 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 the standard format compatible with SWBT's network and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.

19.3 Each Party shall, unless otherwise agreed, adhere to the requirements for the recording, record exchange, and billing of traffic using the guidelines as set forth in the Technical Exhibit Settlement Procedures (TESP), provided by SWBT to MFS.

19.4 Neither Party shall use any service related to or use any of the services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's end users, and either Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice, if practicable, at the earliest practicable time.

19.5 Each Party is solely responsible for the services it provides to its end users and to other Telecommunications Carriers.

19.6 The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

19.7 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g. workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage for bodily injury for property damage. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self insurance).

19.8 In addition to its indemnity obligations under Section 24.0, each Party shall provide, in its tariffs and contracts with its end users that relate to any Telecommunications Service provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such parties be liable to any end user or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract or

tort, that exceeds the amount such Party would have charged the applicable end user for the service(s) or function(s) that gave rise to such Loss, and (ii) any Consequential Damages (as defined in Section 25.3 below).

19.9 Unless otherwise stated, each Party will render a monthly bill to the other for service(s) provided hereunder. Remittance in full will be due within thirty (30) days of the billing date. Interest shall apply on overdue amounts (other than Disputed Amounts which are subject to Section 28.12) at the rate specified in Section 28.12, unless otherwise specified in an applicable tariff. Each Party reserves the right to net delinquent amounts against amounts otherwise due the other.

19.10 SWBT is participating with the industry to develop standardized methods through the OBF and shall implement ordering and billing formats/processes consistent with industry guidelines as capabilities are deployed. Where such guidelines are not available or SWBT decides not to fully utilize industry guidelines, SWBT will provide MFS with information on its ordering and billing format/process and requirements.

20.0 EFFECTIVE DATE, TERM, AND TERMINATION

20.1 This Agreement shall be effective upon approval by the Texas PUC when it has determined that the Agreement is in compliance with Sections 251 and 252 of the Act ("Effective Date"); provided, however, the parties agree to initiate a live service trial in the Dallas Metropolitan Exchange Area on or before July 26, 1996.

20.2 The initial term of this Agreement shall be two (2) years (the "Term") which shall commence on the Effective Date. Absent the receipt by one Party of written notice from the other Party at least sixty (60) days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term of this Agreement, this Agreement shall automatically renew and remain in full force and effect on and after the expiration of the Term until terminated by either Party pursuant to Section 20.3.

20.3 Either Party may terminate this Agreement in the event that the other Party fails to perform a material obligation that disrupts the operation of either Party's network and/or end user service and fails to cure such material nonperformance within forty-five (45) days after written notice thereof.

20.4 If pursuant to Section 20.2 this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement ninety (90) days after delivering written notice to the other Party of its intention to terminate this Agreement, subject to Section 20.5. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 20.4 other than its obligations under Section 20.5.

20.5 Upon termination or expiration of this Agreement in accordance with this Section 20.0:

- (a) each Party shall comply immediately with its obligations set forth in Section 28.6.2; and
- (b) each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement.

If upon expiration or termination the Parties are negotiating a successor agreement, each party shall continue to perform its obligations and provide the services described herein that are to be included in the successor agreement until such time as the latter agreement becomes effective.

20.6 Except as set forth in Section 26.5, no remedy set forth in this Agreement is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under applicable law or otherwise.

21.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, NEITHER SWBT NOR MFS ASSUMES RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY THE OTHER WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

22.0 SLAMMING

Each Party will abide by the Interconnection Rule of the Texas PUC in obtaining end user authorization to change an end user's local service provider to itself and in assuming responsibility for any applicable charges. Only an end user can initiate a challenge to a change in its local exchange telephone service.

23.0 SEVERABILITY

23.1 The services, arrangements, Interconnection, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be nonseverable, subject only to Section 28.16 of this Agreement.

23.2 In the event the Commission, the FCC, or a court rejects any portion or determines that any provision of this Agreement is contrary to law, or is invalid or unenforceable for any reason, the Parties shall continue to be bound by the terms of this Agreement, insofar as possible, except for the portion rejected or determined to be unlawful, invalid, or unenforceable. In such event, the Parties shall negotiate in good faith to replace the rejected, unlawful, invalid, or unenforceable provision and shall not discontinue service to the other party during such period if to do so would disrupt existing service being provided to an end user. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

24.0 INDEMNIFICATION

24.1 Each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the services and facilities provided by the other Party, its agents, subcontractors, or others retained by such parties.

24.2 Except as otherwise provided in this Section 24.0 and Section 25.1, and to the extent not prohibited by law and not otherwise controlled by tariff, each Party (the "Indemnifying Party") shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any Loss to a third party arising out of the negligence or willful misconduct by such Indemnifying Party, its agents, its end user, contractors, or others retained by such parties, in connection with its provision of services or functions under this Agreement.

24.3 In the case of any Loss alleged or made by an end user of either Party, the Party ("Indemnifying Party") whose end user alleged or made such Loss shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any or all of such Loss alleged by each and every end user. MFS agrees to indemnify, defend and hold harmless SWBT from any Loss arising out of SWBT's provision of 911 services or out of MFS's end users' use of the 911 service, whether suffered, made, instituted or asserted by MFS or its end users, including for any personal injury or death of any person or persons, except for Loss which is the direct result of SWBT's own negligence or wilful misconduct.

24.4 Each Party ("Indemnified Party") shall be indemnified, defended and held harmless by the other Party ("Indemnifying Party") against any Loss arising from such Indemnifying Party's use of services offered under this Agreement, involving:

(a) Tort claims, including claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's end users; or

(b) Claims for patent, trademark, copyright infringement or other infringement of intellectual property rights, arising from the Indemnifying Party's acts combining or using the service furnished by the Indemnified Party in connection with facilities or equipment furnished by the Indemnifying Party or its end users, agents, subcontractors or others retained by such parties.

24.5 The Indemnifying Party agrees to defend any suit brought against the Indemnified Party for any Loss identified in this Section 24.0. The Indemnified Party agrees to notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand for which such Indemnifying Party is or may be responsible and of which the Indemnified Party has knowledge and to cooperate in every reasonable way to facilitate defense or settlement of claims. The Indemnifying Party shall have the exclusive right to control and conduct the defense and settlement of any such actions or claims subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

25.0 LIMITATION OF LIABILITY

25.1 Except for Losses alleged or made by an end user of either Party, in the case of any Loss alleged or made by a third party arising from the negligence or willful misconduct of both Parties, each Party shall bear, and its obligations under this Section 25.0 shall be limited to, that portion (as mutually agreed to by the Parties) of the resulting expense caused by its (including that of its agents, servants, contractors or others acting in aid or concert with it) negligence or willful misconduct.

25.2 Except for indemnity obligations under Section 24.0, each Party's liability to the other Party for any Loss relating to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall not exceed in total the amount SWBT or MFS has or would have charged to the other Party for the affected service(s) or function(s) for the time period during which the service(s) or function(s) were not performed or were otherwise improperly performed.

25.3 In no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to, loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages; provided, that the foregoing shall not limit a Party's obligation under Section 24.2 to indemnify, defend and hold the other Party harmless against any amounts payable to a third party, including any losses, costs, fines, penalties, criminal or civil judgments or settlements, expenses (including attorneys' fees) and Consequential Damages of such third party.

26.0 LIQUIDATED DAMAGES FOR SPECIFIED ACTIVITIES

26.1 Certain Definitions. When used in this Section 26.0, the following terms shall have the meanings indicated:

26.1.1 "Specified Performance Breach" means the failure by SWBT to meet the Performance Criteria for any Specified Activity for a period of three (3) consecutive calendar months.

26.1.2 "Specified Activity" means any of the following activities:

- (i) the installation by SWBT of unbundled Loops for MFS, including the installation of unbundled Loops under applicable tariff(s) ("Unbundled Loop Installation");
- (ii) SWBT's provision of Interim Number Portability; or
- (iii) the repair of out of service problems for MFS ("Out of Service Repairs").

26.1.3 "Performance Criteria" means, with respect to each calendar month during the term of this Agreement, the performance by SWBT during such month of each Specified Activity shown below within the time interval shown in at least eighty percent (80%) of the covered instances:

| SPECIFIED ACTIVITY | PERFORMANCE INTERVAL |
|--|--|
| (i) <u>Unbundled Loop Installation</u> | DATE |
| 1-10 Loops per Service Order | 5 days from SWBT's Receipt of valid Service Order |
| 11-20 Loops per Service Order | 10 days from SWBT's Receipt of valid Service Order |
| 21+ Loops per Service Order | To be Negotiated |
| (ii) <u>Interim Number Portability</u> | |
| 1-10 Numbers per Service Order | 5 days from SWBT's Receipt of valid Service Order |
| 11-20 Numbers per Service Order | 10 days from SWBT's Receipt of valid Service Order |
| 21+ Numbers per Service Order | To be Negotiated |
| (iii) <u>Out-of-Service Repairs</u> | Less than 24 hours from SWBT's Receipt of Notification of Out-of-Service Condition |

26.2 Specified Performance Breach. In recognition of the (1) loss of end user opportunities, revenues and goodwill which MFS might sustain in the event of a Specified Performance Breach; (2) the uncertainty, in the event of such a Specified Performance Breach, of MFS having available to it customer opportunities similar to those opportunities currently available to MFS; and (3) the difficulty of accurately ascertaining the amount of damages MFS would sustain in the event of such a Specified Performance Breach, SWBT agrees to pay MFS, subject to Section 26.4 below, damages as set forth in Section 26.3 below in the event of the occurrence of a Specified Performance Breach.

26.3 Liquidated Damages. The damages payable by SWBT to MFS as a result of a Specified Performance Breach shall be \$75,000 for each Specified Performance Breach (collectively, the "Liquidated Damages"). MFS and SWBT agree and acknowledge that (a)

the Liquidated Damages are not a penalty and have been determined based upon the facts and circumstances of MFS and SWBT at the time of the negotiation and entering into of this Agreement, with due regard given to the performance expectations of each Party; (b) the Liquidated Damages constitute a reasonable approximation of the damages MFS would sustain if its damages were readily ascertainable; and (c) MFS shall not be required to provide any proof of the Liquidated Damages.

26.4 Limitations. In no event shall SWBT be liable to pay the Liquidated Damages if SWBT's failure to meet or exceed any of the Performance Criteria is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (a) a failure by MFS to perform any of its obligations set forth in this Agreement (including, without limitation, the Implementation Schedule and the Joint Grooming Plan), (b) any delay, act or failure to act by an end user, agent or subcontractor of MFS, (c) any Force Majeure Event, or (d) for INP, where memory limitations in the switch in the SWBT serving office cannot accommodate the request. If a Delaying Event (i) prevents SWBT from performing a Specified Activity, then such Specified Activity shall be excluded from the calculation of SWBT's compliance with the Performance Criteria, or (ii) only suspends SWBT's ability to timely perform the Specified Activity, the applicable time frame in which SWBT's compliance with the Performance Criteria is measured shall be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the Delaying Event.

26.5 Sole Remedy. The Liquidated Damages shall be the sole and exclusive remedy of MFS for SWBT's breach of the Performance Criteria or a Specified Performance Breach as described in this Section 26.0 and shall be in lieu of any other damages or credit MFS might otherwise seek for such breach of the Performance Criteria or a Specified Performance Breach through any claim or suit brought under any contract or tariff.

26.6 Records. SWBT shall maintain complete and accurate records, on a monthly basis, of its performance under this Agreement of each Specified Activity and its compliance with the Performance Criteria. SWBT shall provide to MFS such records in a self-reporting format on a monthly basis. Notwithstanding Section 28.6.1, the Parties agree that such records shall be deemed "Proprietary Information" under Section 28.6.

27.0 REGULATORY APPROVAL

The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties believe in good faith and agree that the services to be provided under this Agreement satisfy the specifically-mentioned sections of the Act and are in the public interest. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification.

28.0 MISCELLANEOUS

28.1 Authorization.

(a) SWBT is a corporation duly organized, validly existing and in good standing under the laws of the State of Missouri and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

(b) MFS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

28.2 Compliance and Certification.

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

28.2.2 MFS warrants that it has obtained all necessary state certification required in those states in which MFS has ordered services from SWBT pursuant to this Agreement. Upon request by any state governmental entity, MFS shall provide proof of certification.

28.2.3 Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with the Communications Law Enforcement Act ("CALEA"). Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

28.3 Law Enforcement

28.3.1 SWBT and MFS shall handle law enforcement requests as follows:

- (a) **Intercept Devices:** Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with an end user of the other Party, it shall refer such request to the Party that serves such end user, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request.

- (b) **Subpoenas:** If a Party receives a subpoena for information concerning an end user the Party knows to be an end user of the other Party, it shall refer the subpoena back to the requesting party with an indication that the other Party is the responsible company, unless the subpoena requests records for a period of time during which the Party was the end user's service provider, in which case the Party will respond to any valid request.
- (c) **Emergencies:** If a Party receives a request from a law enforcement agency for temporary number change, temporary disconnect, or one-way denial of outbound calls for an end user of the other Party by the receiving Party's switch, that Party will comply with an valid emergency request. However, neither Party shall be held liable for any claims or damages arising from compliance with such requests on behalf of the other Party's end user and the Party serving such end user agrees to indemnify and hold the other Party harmless against any and all such claims.

28.4 Independent Contractor. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

28.5 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations related to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of nonperformance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

28.6 Confidentiality.

28.6.1 All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data,

(i) furnished by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") dealing with customer-specific, facility-specific, or usage-specific information, other than customer information communicated for the purpose of publication or directory database inclusion, 911, call processing, billing or settlement or as otherwise mutually agreed upon, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," or (iii) communicated orally and declared to the Receiving Party at the time of delivery, or by written notice given to the Receiving Party within ten (10) days after declaration to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the Disclosing Party.

28.6.2 Upon request by the Disclosing Party, the Receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic, or otherwise. In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement.

28.6.3 Each Party shall keep all the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for performing the covenants contained in the Agreement and shall disclose such Proprietary Information only to those employees, contractors, agents or Affiliates who have a need to know. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.

28.6.4 Unless otherwise agreed, the obligations of confidentiality and nonuse set forth in the Agreement do not apply to such Proprietary Information as:

- (i) was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
- (ii) is or becomes publicly known through no wrongful act of the receiving Party; or
- (iii) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
- (iv) is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or

- (v) is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or
- (vi) is approved for release by written authorization of the disclosing Party; or
- (vii) is required to be made public by the Receiving Party pursuant to applicable law or regulation provided that the receiving party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Receiving Party's compliance with Section 28.6 with respect to all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.

28.6.5 Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

28.6.6 Pursuant to Section 222(b) of the Act, both parties agree to limit their use of Proprietary Information received from the other to the permitted purposes identified in the Act.

28.7 **Governing Law.** For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the FCC, the exclusive jurisdiction and remedy for all such claims shall as provided for by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the Commission, the exclusive jurisdiction for all such claims shall be with such Commission, and the exclusive remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the state of Texas without reference to conflict of law provisions.

28.8 **Taxes.**

28.8.1 Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") levied against or upon such purchasing party (or the providing Party when such providing Party is permitted by applicable law to pass along to the purchasing party such taxes, fees, or surcharges), except for any Tax on either

party's corporate existence, status, or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing party shall furnish the providing party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party until such time as the purchasing Party presents a valid certification. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party until such time as the purchasing Party presents a valid certificate.

28.8.2 With respect to any purchase of services, facilities or other arrangements, if any Tax is required or permitted by applicable law to be collected from the purchasing party by the providing party, then (i) the providing party shall bill the purchasing party for such Tax, (ii) the purchasing party shall remit such Tax to the providing party and (iii) the providing party shall remit such collected Tax to the applicable taxing authority.

28.8.3 With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any Tax is imposed by applicable law on the end user in connection with any such purchase, then (i) the purchasing party shall be required to impose and/or collect such Tax from the end user and (ii) the purchasing party shall remit such Tax to the applicable taxing authority. The purchasing party agrees to indemnify and hold harmless the providing party on an after-tax basis for any costs incurred by the providing party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing party due to the failure of the purchasing party to pay or collect and remit such tax to such authority.

28.8.4 If the providing party fails to collect any Tax as required herein, then, as between the providing party and the purchasing party, (i) the purchasing party shall remain liable for such uncollected Tax and (ii) the providing party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing party fails to pay any taxes properly billed, then, as between the providing party and the purchasing party, the purchasing party will be solely responsible for payment of the taxes, penalty and interest.

If the purchasing party fails to impose and/or collect any Tax from end users as required herein, then, as between the providing party and the purchasing party, the purchasing party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing party has agreed to pay or impose on and/or collect from end users, the purchasing party agrees to indemnify and hold harmless the providing party on an after-tax basis for any costs incurred by the providing party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing party to pay or collect and remit such Tax to such authority.

28.9 Non-Assignment. This Agreement shall be binding upon every subsidiary and Affiliate of either Party that is engaged in providing Telephone Exchange and Exchange Access services in any territory within which SWBT is an Incumbent Local Exchange Carrier as of the date of this Agreement (the "SWBT Territory") and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. Each Party covenants that, if it sells or otherwise transfers to a third party its Telephone Exchange and Exchange Access network facilities within the SWBT Territory, or any portion thereof, to a third party, it will require as a condition of such transfer that the transferee agree to be bound by this Agreement with respect to services provided over the transferred facilities. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party; provided that each Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

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

28.11 Audits. Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved. Where SS7 is deployed, each Party shall pass Calling Party Number (CPN) information on each call carried over the Traffic Exchange trunks; provided that so long as the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of use of calls exchanged with CPN information. If the percentage of calls passed with CPN is less than 90%, all calls passed without CPN shall be billed as IntraLATA Toll Traffic.

Upon reasonable written notice and at its own expense, each Party or its authorized representative (providing such authorized representative does not have a conflict of interest related to other matters before one of the Parties) shall have the right to conduct an audit of the other Party to give assurances of compliance with the provisions of this Agreement. This includes on-site audits at the other Party's or the Party's vendor locations. Each Party, whether or not in connection with an audit, shall maintain reasonable records for a minimum of 24 months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement. Each Party's right to access information for audit purposes is limited to data not in excess of 24 months in age.

28.12 Disputed Amounts.

28.12.1 No claims, under this Agreement or its Appendices, shall be brought for disputed amounts more than twenty-four (24) months from the date of occurrence which gives rise to the dispute. Under this Section 28.12, if any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

28.12.2 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute.

28.12.3 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Section 28.11.2, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission may direct release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to either Party.

28.12.4 The Parties agree that all negotiations pursuant to this Section 28.12 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

28.12.5 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

28.13 Dispute Resolution.

28.13.1 No claims shall be brought for disputes arising under this Agreement or its Appendices more than twenty-four (24) months from the date of occurrence which gives rise to the dispute.

28.13.2 For disputes other than disputed amounts under this Agreement or its Appendices, each Party shall appoint a designated representative as set forth in Section 28.12.2 and if unable to resolve the dispute, proceed as set forth in Section 28.12.3.

28.14 Notices. Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Notice may also be provided by facsimile, which shall be effective on the next Business Day following the date of transmission. "Business Day" shall mean Monday through Friday, SWBT/MFS holidays excepted. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section, except that notices to a Party's 24-hour contact number shall be by telephone and/or facsimile and shall be deemed to have been received on the date transmitted.

To MFS: Director of Regulatory Affairs, Southern Region
MFS Communications Company, Inc.
6 Concourse Parkway, Suite 2100
Atlanta, Georgia 30328
Facsimile Number: (770) 390-6787

To SWBT: General Manager-Competitive Provider Account Team
Southwestern Bell Telephone Company
One Bell Plaza, Room 525
Dallas, Texas 75202
Facsimile Number: (214) 464-1486

24-Hour Network Management Contact

For MFS:

1-800-MFS-CITY

For SWBT:

Area Manager-NSMC Control
1-800-792-2662

28.15 Publicity and Use of Trademarks or Service Marks.

28.15.1 The Parties agree not to use in any advertising or sales promotion, press releases, or other publicity matters any endorsements, direct or indirect quotes, or pictures implying endorsement by the other Party or any of its employees without such Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all publicity matters that mention or display one another's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.

28.15.2 Nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for commercial purposes without prior written approval.

28.16 Section 252(i) Obligations. If either Party enters into an agreement (the "Other Agreement") approved by the Commission pursuant to Section 252 of the Act which provides for the provision of arrangements covered in this Agreement to another requesting Telecommunications Carrier, including an Affiliate, such Party shall make available to the other Party such arrangements upon the same rates, terms and conditions as those provided in the Other Agreement. At its sole option, the other Party may avail itself of either (i) the Other Agreement in its entirety or (ii) the prices, terms and conditions of the Other Agreement that directly relate to any of the following duties as a whole:

- (1) Interconnection and Exchange Access - Section 251(c)(2) of the Act (Sections 4.0, 5.0, 6.0, and 7.3 of this Agreement); or
- (2) Information Services Traffic (Section 7.1 of this Agreement); or
- (3) LSV/BLI Traffic (Section 7.2 of this Agreement); or
- (4) Cellular Traffic (Section 7.4 of this Agreement); or
- (5) Resale - Section 251(c)(4) of the Act (Section 10.0 of this Agreement); or
- (6) Collocation - Section 251(c)(6) of the Act (Section 12.0 of this Agreement); or
- (7) Number Portability - Section 251(b)(2) of the Act (Section 13.0 of this Agreement); or
- (8) Database Access - Section 271(c)(2)(B)(x) of the Act (Section 16.0 of this Agreement); or

- (9) Access to Rights of Way - Section 251(b)(4) of the Act (Section 15.0 of this Agreement); or
- (10) White Pages - Section 271(c)(2)(B)(viii) of the Act (Appendix White Pages).

28.17 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

28.18 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.19 No License. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

28.20 Technology Upgrades. Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Each Party shall provide the other Party written notice at least ninety (90) days prior to the incorporation of any such upgrades in its network which will materially impact the other Party's service. The Party upgrading its network shall be solely responsible for the cost and effort of accommodating such changes in its own network.

28.21 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, including without limitation, Sections 20.5, 21.0, 24.0, 25.0, 28.2.3, 28.6, 28.12, 28.13, 28.15 and 28.19.

28.22 Scope of Agreement. This Agreement is intended to describe and enable specific Interconnection and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided herein.

28.23 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, Appendices, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed
as of this 16th day of July, 1996.

MFS Communications Company, Inc.

Southwestern Bell Telephone Company

By: Alex J. Harris

By: David A. Cole

Printed: Alex J. Harris

Printed: David A. Cole

Title: Vice President, Regulatory Affairs

Title: President-Texas

SCHEDULE 1.0

CERTAIN TERMS AS DEFINED IN THE ACT AS OF JULY 16, 1996

"Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than ten percent (10%).

"Dialing Parity" means that a person that is not an Affiliate of LEC is able to provide Telecommunications Services in such a manner that Customers have the ability to route automatically, without the use of any access code, their Telecommunications to the Telecommunications Services provider of the Customer's designation from among two (2) or more Telecommunications Services providers (including such LEC).

"Exchange Access" means the offering of access to Telephone Exchange Services or facilities for the purpose of the origination or termination of Telephone Toll Services.

"InterLATA" means Telecommunications between a point located in a local access and transport area and a point located outside such area.

"Local Access and Transport Area" or "LATA" means a contiguous geographic area: (a) established before the date of enactment of the Act by a Bell operating company such that no Exchange Area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or (b) established or modified by a Bell operating company after such date of enactment and approved by the FCC.

"Local Exchange Carrier" means any person that is engaged in the provision of Telephone Exchange Service or Exchange Access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Network Element" means a facility or equipment used in the provision of a Telecommunications Service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service.

"Number Portability" means the ability of end users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Communications Act).

"Telecommunications Service" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

"Telephone Exchange Service" means (a) service within a telephone exchange or within a connected system of telephone exchanges within the same exchange area operated to furnish subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (b) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.

"Telephone Toll Service" means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

EXHIBIT A

NETWORK ELEMENT BONA FIDE REQUEST

1. Each Party shall promptly consider and analyze access to a new unbundled Network Element with the submission of a Network Element Bona Fide Request hereunder. The Network Element Bona Fide Request process set forth herein does not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (rel. Oct. 19, 1992) ¶ 259 and n. 603 and subsequent rulings.
2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element, the date when interconnection is requested and the projected quantity of interconnection points ordered with a demand forecast.
3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.
4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.
5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.
6. If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and otherwise qualifies under the Act, it shall promptly proceed with developing the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.
7. Unless the Parties otherwise agree, the Network Element Bona Fide Request must be priced in accordance with Section 252(d)(1) of the Act.
8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates and the installation intervals.

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

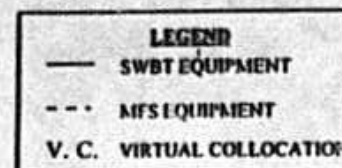
10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

Schedule 3.0

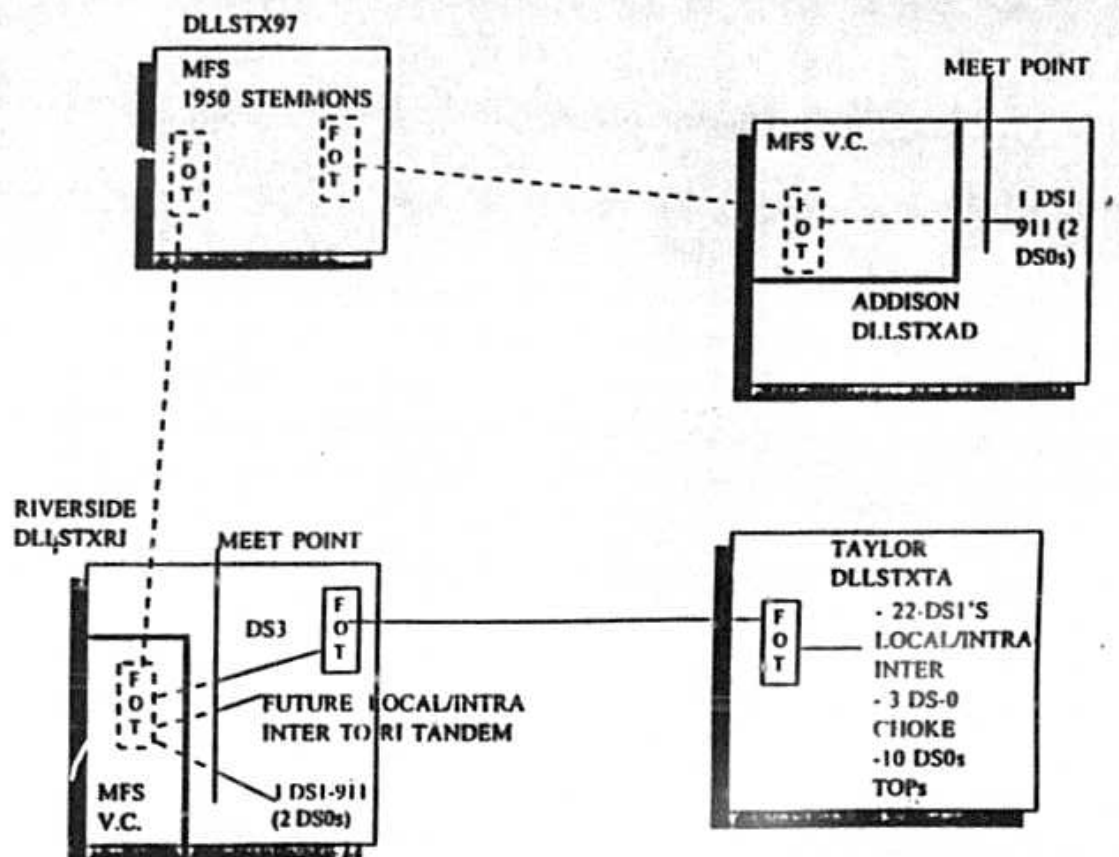
| <u>Metropolitan Exchange Area</u> | <u>MFS Interconnection Wire Center MIWC</u> | <u>SWBT Interconnection Wire Center SIWC</u> | <u>'NIP'</u> | <u>Interconnection Activation Date</u> |
|---------------------------------------|---|--|------------------------|--|
| DALLAS (INITIAL) | DLLSTX97 | DLLSTXTA | DLLSTXRI | 7/26/96 |
| DALLAS (FUTURE) | DLLSTX97 | DLLSTXRI | DLLSTXRI DLLSTX97 | TBD |
| HOUSTON | HSTNTXZNSN | HSTNTX08 | HSTNTX08 HSTNTXZNSN | 11/1/96 |

'NETWORK INTERCONNECTION POINT (NIP) - The NIP is the location where SWBT and MFS facilities connect. The NIP will be identified by address and V&H Coordinates. The NIP for traffic going from MFS to SWBT and going from SWBT to MFS could be different. Where the physical interface occurs at a SWBT end office or tandem, the NIP shall be located at the SIWC. Where the physical interface occurs at the MFS location, the NIP for that interconnection shall be located at the MIWC location.

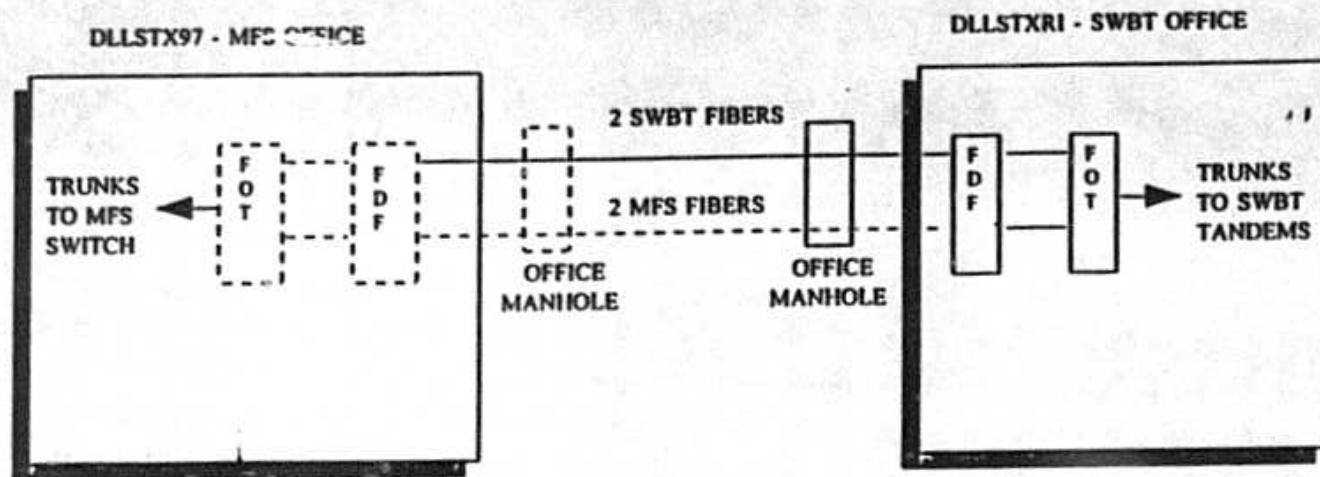
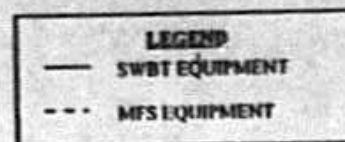
**MFS/SWBT INTERCONNECTION
ARCHITECTURE
DALLAS METROPOLITAN AREA
(INITIAL CONFIGURATION)**



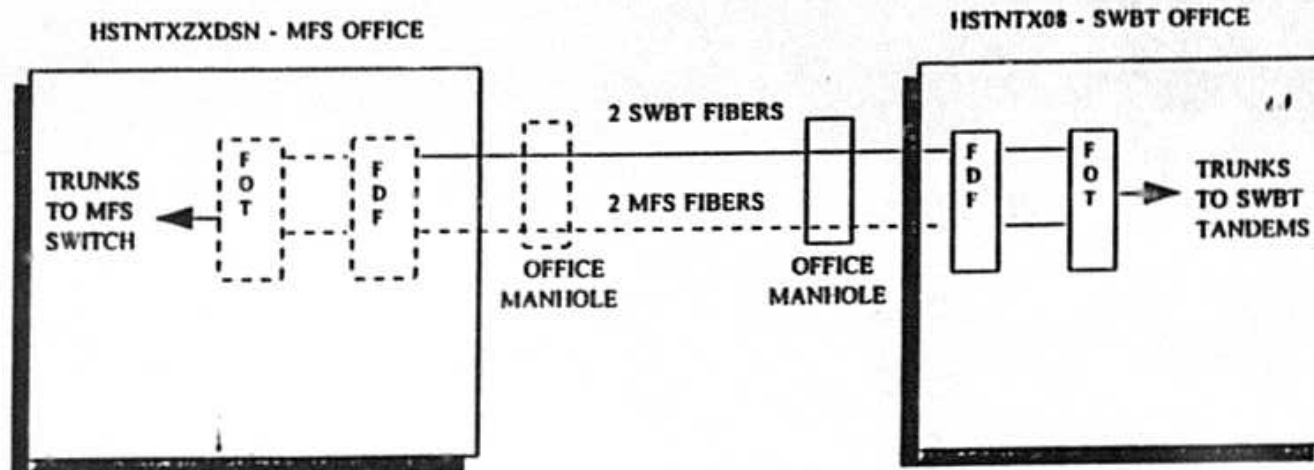
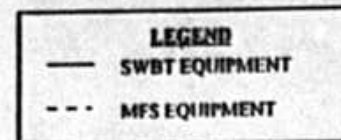
SCHEDULE 3



**MFS/SWBT INTERCONNECTION
ARCHITECTURE
DALLAS METROPOLITAN AREA
(FUTURE CONFIGURATION)**



MFS/SWBT INTERCONNECTION ARCHITECTURE HOUSTON METROPOLITAN AREA

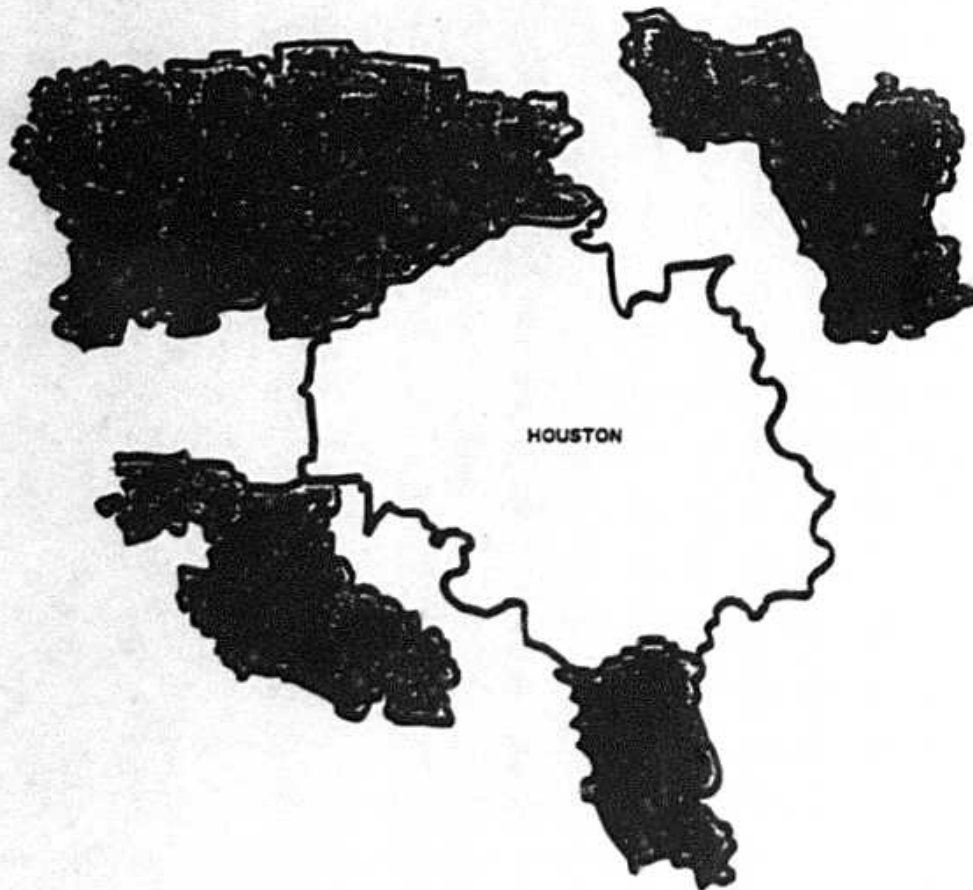


SCHEDULE 5.0

Optional EAS Traffic rates apply to calls to and from the Houston exchange and the following exchanges:

Alvin
Cypress
Hempstead
Liverpool
Pinehurst
Prairie View
Richmond
Smithers Lake
Spendora
Spring
Tomball
Valley Lodge
Waller

Houston Metropolitan Calling Area



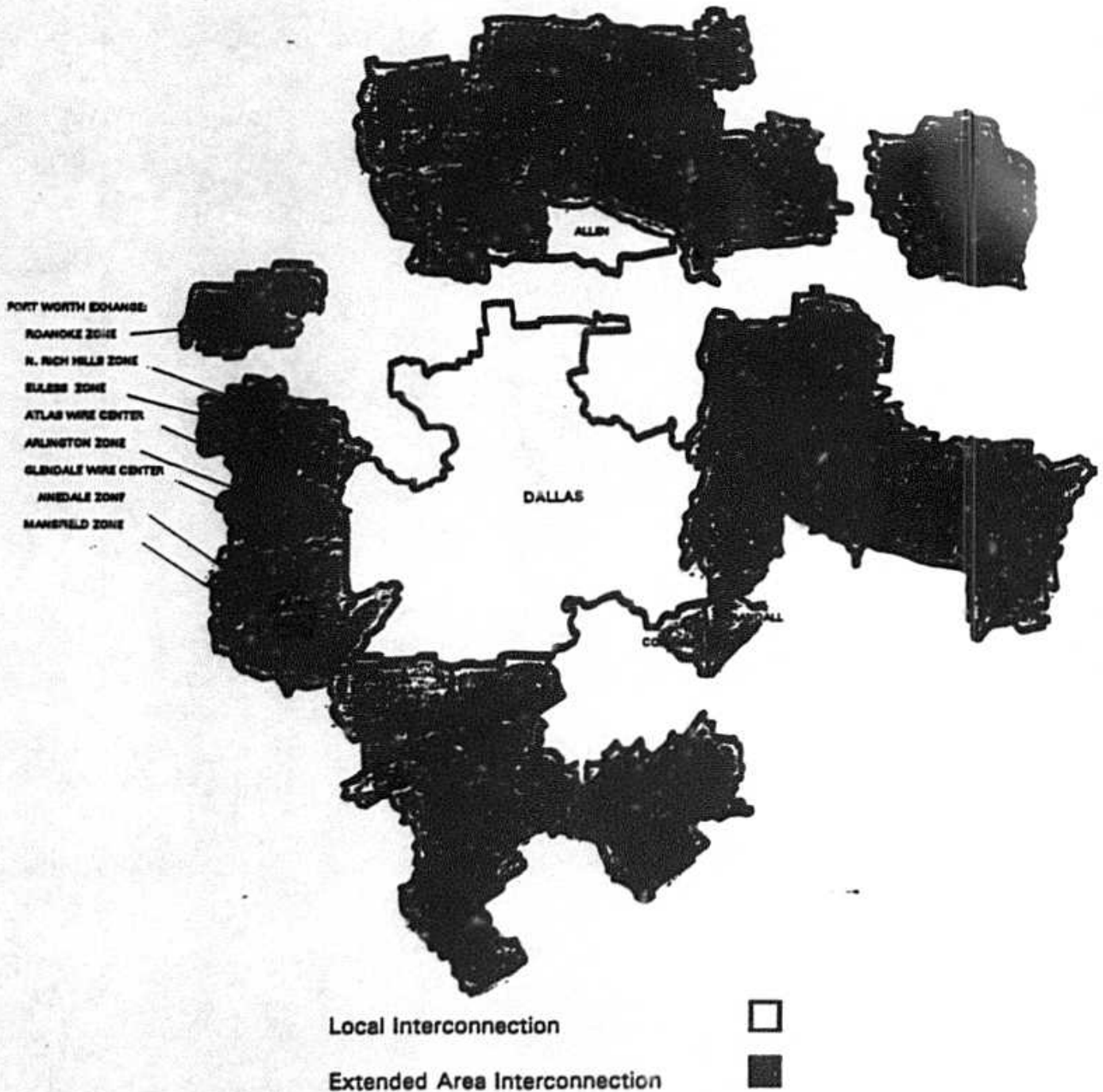
Local Interconnection



Extended Area Interconnection



Dallas Metropolitan Calling Area



PRICING SCHEDULE - TEXAS

I. Reciprocal Compensation

Local Rate = \$0.009 per minute

Optional Extended Area Service (EAS) Rate = \$0.0183 per minute

II. Feature Group A

SWBT

Rates found in FCC Tariff No. 73
and in Section 6 of the Texas
intrastate access tariff.

MFS

Same rates as SWBT's.

III. LSV/BLI Traffic

Rate = \$0.75 per Line Status Verification

\$1.50 per Busy Line Interrupt (includes LSV)

IV. Transiting

Rate = \$0.003 per minute

V. Interim Number Portability - Texas

1. Recurring Charges

A. Basic Rate

\$2.10 per ported number, per month for a total of five (5) paths.

\$0.10 for each additional path over five (5) paths.

B. EAS Surcharge

\$12.50 (in addition to rate in A. above)

2. Non-Recurring Charges

A. Per Line Service Order Charge:

\$ 16.95

B. Volume Service Order Charge:¹

\$ 4,100²

\$ 10 per program run

\$ 1 per ported number

3. NXX Migration LERG Modification Charges: \$10,000 per NXX

¹Volume Service Order activity is contingent upon development of a mechanized program.

²If MFS elects to submit volume service orders, directly or indirectly, via magnetic tape or other agreed medium, a one-time charge of \$4,100 for initial programming shall apply.

Meet-Point Billing Arrangement Revenue Assignment Schedule

INTERSTATE ACCESS REVENUE ASSIGNMENT

| <u>Rate Element</u> | <u>IXCs Connected to SWBT Tandem; Calls Terminating To or Originating From MFS End Users</u> |
|---------------------------------------|--|
| Carrier Common Line | MFS |
| Local Switching | MFS |
| Interconnection Charge | MFS |
| Local Transport Termination | 50% of SWBT Rate and 50% of MFS's Rate |
| Local Transport Facility | Based on Negotiated Billing Percentage (BIP)** |
| Tandem Switching Entrance Facility | SWBT SWBT |

INTRASTATE ACCESS REVENUE ASSIGNMENT

| <u>Rate Element</u> | <u>IXCs Connected to SWBT Tandem; Calls Terminating To or Originating From MFS End Users</u> |
|---------------------------------------|--|
| Carrier Common Line | MFS |
| Local Switching | MFS |
| Interconnection Charge* | MFS |
| Local Transport* Termination | 50 % of SWBT Rate and 50% of MFS's Rate |
| Local Transport Facility | Based on Negotiated Billing Percentage (BIP)** |
| Tandem Switching Entrance Facility | SWBT SWBT |

*If the rate element is applicable on an Intrastate basis.

**The billing percentage (BIP) for the local transport facility will be calculated using NECA 4 Guidelines and MECAB Guidelines.

EXHIBIT A

NETWORK ELEMENT BONA FIDE REQUEST

1. Each Party shall promptly consider and analyze access to a new unbundled Network Element with the submission of a Network Element Bona Fide Request hereunder. The Network Element Bona Fide Request process set forth herein does not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (rel. Oct. 19, 1992) ¶ 259 and n. 603 and subsequent rulings.
2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element, the date when interconnection is requested and the projected quantity of interconnection points ordered with a demand forecast.
3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.
4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.
5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.
6. If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and otherwise qualifies under the Act, it shall promptly proceed with developing the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.
7. Unless the Parties otherwise agree, the Network Element Bona-Fide Request must be priced in accordance with Section 252(d)(1) of the Act.
8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates and the installation intervals.

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

Exhibit B: MFS/SWBT Fiber Meet

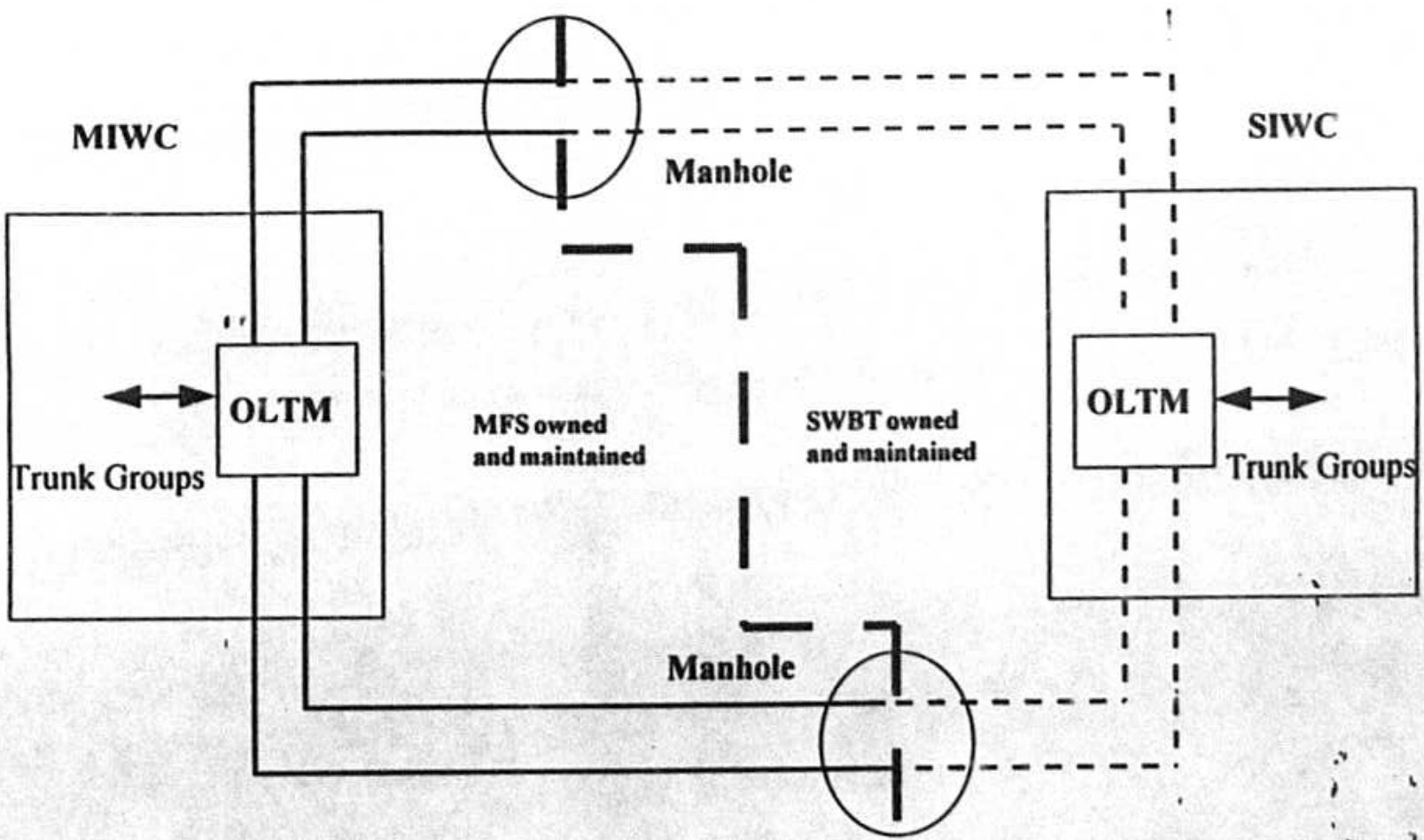


EXHIBIT C

TRUNK GROUP CONFIGURATION AND TRAFFIC ROUTING

This Exhibit prescribes parameters for all trunk groups to be configured between the Parties pursuant to this Agreement. Unless otherwise specifically agreed, all trunks described herein shall be configured over the Interconnections specified in Section 4.0 of this Agreement, with each Party provisioning its portion of the trunks to its IWC. The following trunk groups are described herein and depicted in the attached Scenarios:

- Traffic Exchange trunks
- Access Toll Connecting trunks
- LSV/BLI Operator trunks
- E911 CAMA trunks
- Directory Assistance trunks

I. TRAFFIC EXCHANGE TRUNKS (See also Section 5.0)

The Parties shall establish Traffic Exchange trunk groups between their networks for the transmission and termination of Local and IntraLATA Toll calls between their respective Telephone Exchange Service end users. Traffic Exchange trunk groups shall utilize SS7 protocol signaling as prescribed in Section 8.0.

Switching System Hierarchy

In reference to the configuration of Traffic Exchange trunk groups only, each of the following Central Office Switches shall be designated as a "Primary Switch":

- (a) Each Local Tandem, each Access Tandem, and each Combined Local/Access Tandem SWBT employs or may employ in order to provide Telephone Exchange Service or Exchange Access Service within a Metropolitan Exchange Area;
- (b) The initial switch MFS employs to provide Telephone Exchange Service in a Metropolitan Exchange Area;
- (c) Each Local Tandem, each Access Tandem, and each Combined Local/Access Tandem MFS employs or may employ to provide Telephone Exchange Service or Exchange Access Service within a Metropolitan Exchange Area; and
- (d) Any other switch MFS may employ to provide Telephone Exchange Service or Exchange Access Service within that Metropolitan Exchange

Area which MFS may at its sole option designate as a Primary Switch; provided that the total number of MFS Primary Switches for a Metropolitan Exchange Area may not exceed the total number of SWBT Primary Switches for a Metropolitan Exchange Area. To the extent MFS chooses to designate any additional switch as a Primary Switch, it shall provide notice to SWBT of such designation at least ninety (90) days in advance of the date on which MFS activates such switch as a Primary Switch.

For purposes of MFS routing traffic to SWBT, sub-tending arrangements between SWBT Primary Switches and other SWBT switches shall be the same as the Tandem/End Office sub-tending arrangements which SWBT maintains for those switches. For purposes of SWBT routing traffic to MFS, sub-tending arrangements between MFS Primary Switches and other MFS switches shall be the same as the Tandem/End Office sub-tending arrangements which MFS maintains for those switches.

Separate Traffic Exchange Trunk Groups

- A. The Parties shall at all times maintain separate Traffic Exchange trunk groups connecting each MFS Primary Switch to each SWBT Primary Switch in each Metropolitan Exchange Area identified in Schedule 3.0.
- B. When either Party maintains separate Access and Local Tandem switches in a Metropolitan Exchange Area, a separate Traffic Exchange trunk group for Local Traffic shall be provided to the Local Tandem and a separate Traffic Exchange trunk group for IntraLATA Toll Traffic shall be provided to the Access Tandem.
- C. Where both Parties employ combined Local/Access tandems, or where SWBT employs a combined Local/Access Tandem and MFS employs an initial End Office Switch or combined End Office/Tandem switch as its Primary switch, Local and IntraLATA Toll Traffic shall be combined over the Traffic Exchange trunk group.
- D. In accordance with the trunk engineering rules in the Joint Grooming Plan, the Parties shall establish direct primary high usage Traffic Exchange trunk groups for Local and IntraLATA Toll Traffic between their other switches over the Interconnections prescribed in Section 4.0. Each Party shall provision the trunks from its IWC.

Interim Use of One-Way Trunks

The Parties shall initially configure all Traffic Exchange Trunk groups as separate one-way trunk groups.

The designated traffic type, use code and modifier for each one-way Traffic Exchange trunk group is listed in the chart below.

One-Way Traffic Exchange Trunk Groups Carrying Traffic From MFS to SWBT

| <u>Connecting Between</u> | | <u>Traffic Type</u> | <u>Code & Mod</u> | <u>Scenario</u> |
|---|------------------------------|----------------------|-----------------------|-----------------|
| <u>MFS Switch</u> | <u>SWBT Switch</u> | | | |
| Combined Local/Access Tandem • • • | Combined Local/Access Tandem | Local/IntraLATA Toll | DDJ | 1, 2 |
| | Access Tandem | IntraLATA Toll Only | DDJ | 3, 4 |
| | Local Tandem | Local Only | TOJ | 3, 4 |
| | End Office | Local/IntraLATA Toll | IEG | 2, 4 |
| Access Tandem • • • | Combined Local/Access Tandem | IntraLATA Toll Only | * | * |
| | Access Tandem | IntraLATA Toll Only | * | * |
| | Local Tandem | N/A | * | * |
| | End Office | IntraLATA Toll Only | * | * |
| Local Tandem • • • | Combined Local/Access Tandem | Local Only | * | * |
| | Access Tandem | N/A | * | * |
| | Local Tandem | Local Only | * | 11 |
| | End Office | Local Only | * | * |
| End Office • • • | Combined Local/Access Tandem | Local/IntraLATA Toll | DDJ | 1, 2 |
| | Access Tandem | IntraLATA Toll Only | DDJ | 3, 4 |
| | Local Tandem | Local Only | TOJ | 3, 4 |
| | End Office | Local/IntraLATA Toll | TEJ, IEJ | 2, 4 |

* To be determined.

One-Way Traffic Exchange Trunk Groups Carrying Traffic From SWBT to MFS

| <u>Connecting Between</u> | | <u>Traffic Type</u> | <u>Code & Mod</u> | <u>Scenario</u> |
|------------------------------|------------------------------|----------------------|-----------------------|-----------------|
| <u>SWBT Switch</u> | <u>MFS Switch</u> | | | |
| Combined Local/Access Tandem | Combined Local/Access Tandem | Local/IntraLATA Toll | TCJ | 1, 2 |
| | Access Tandem | IntraLATA Toll Only | * | * |
| | Local Tandem | Local Only | * | * |
| | End Office | Local/IntraLATA Toll | TCJ | 1, 2 |
| Access Tandem | Combined Local/Access Tandem | IntraLATA Toll Only | TCJ | 3, 4 |
| | Access Tandem | IntraLATA Toll Only | * | * |
| | Local Tandem | N/A | * | * |
| | End Office | IntraLATA Toll Only | TCJ | 3, 4 |
| Local Tandem | Combined Local/Access Tandem | Local Only | TGJ | 3, 4 |
| | Access Tandem | N/A | * | * |
| | Local Tandem | Local Only | * | * |
| | End Office | Local Only | TGJ | 3, 4 |
| End Office | Combined Local/Access Tandem | Local/IntraLATA Toll | IEJ | 2, 4 |
| | Access Tandem | IntraLATA Toll Only | * | * |
| | Local Tandem | Local Only | * | * |
| | End Office | Local/IntraLATA Toll | TEJ, IEJ | 2, 4 |

* To be determined.

The Parties agree that two-way trunking is the long term preferred architecture and shall use their best efforts to mutually agree on a schedule for conversion to two-way trunks within a reasonable period of time, not to exceed twelve (12) months from the Interconnection Activation Date.

Mass Calling (Public Response Choke Network)

The Parties shall establish a segregated trunk group from each MFS Primary Switch to the designated SWBT Public Response Choke Network tandem in each Metropolitan Exchange Area. This trunk group shall be one-way only (from MFS to SWBT) and shall utilize Multi-Frequency (MF) signaling. It is recommended that this trunk group be sized as follows:

| | |
|---------------------------|----------------|
| < 15001 access lines (AC) | 2 trunks (min) |
| 15001 to 25000 AC | 3 trunks |
| 25001 to 50000 AC | 4 trunks |
| 50001 to 75000 AC | 5 trunks |
| > 75000 AC | 6 trunks (max) |

The traffic use code and modifier for this trunk group shall be TOCRJ (see Scenario 1, 2, 3 or 4).

II. ACCESS TOLL CONNECTING TRUNKS (See also Section 6.0)

- A.** Each Access Toll Connecting Trunk Group shall be two-way utilizing SS7 protocol signaling and shall connect an End Office or Tandem Switch MFS utilizes to provide Telephone Exchange Service and Switched Exchange Access in a given Metropolitan Exchange Area to an Access Tandem Switch SWBT utilizes to provide Switched Exchange Access in such Metropolitan Exchange Area.
- B.** Where required, MFS and SWBT shall establish a separate one-way Access Toll Connecting Trunk Group utilizing Multi-Frequency (MF) signaling for traffic directed to or from Interexchange Carriers that use MF signaling between the Interexchange Carrier's switch and SWBT's Access Tandem.

The traffic use code and modifier for Access Toll Connecting Trunk Groups shall be MDJ (see Scenario 1, 2, 3, or 4).

III. 800 (888) TRAFFIC

At MFS's option, SWBT will handle 800/888 database queries for all non-MFS 800/888 numbers. These originating 800/888 service queries will be routed over the Access Toll Connecting Trunk (MDJ) group. This traffic will include both InterLATA 800/888 service and IntraLATA 800/888 service that will be identified and segregated by carrier through the database query handled through the SWBT tandem switch. In the event MFS chooses to handle its own 800/888 database queries, a separate trunk group from MFS to SWBT will be required for IntraLATA 800/888 service. The purpose of the separate trunk group is to provide for the segregation of MFS originating 800/888 IntraLATA traffic from other IntraLATA call volumes to ensure the proper billing of intercompany settlement compensation. The trunk group shall be set up as one-way (from MFS to SWBT) and utilize SS7 protocol signaling. The traffic use code and modifier for this trunk group shall be DD800J (see Scenario 1, 2, 3 or 4).

IV. LSV/BLVI OPERATOR TRUNKS (See also Section 7.2)

In each Metropolitan Exchange Area listed in Schedule 3.0, the Parties shall configure an LSV/BLI trunk group between SWBT's TOPS Tandem switch serving such area and the MFS switch which MFS has designated as its operator switch (TTC) serving that area, for the completion of LSV/BLI or other inward operator assisted calls between their networks. The LSV/BLI trunk group shall be wholly separate from all other trunk groups provided for under this Agreement, shall be two-way and shall utilize MF signaling. The traffic use code and modifier for the LSV/BLI trunk group shall be OAJ (Scenario 6). The Parties' operators shall route all LSV/BLI calls between their networks over the OAJ trunk group.

V. E911 CAMA TRUNKS (See also Section 7.5)

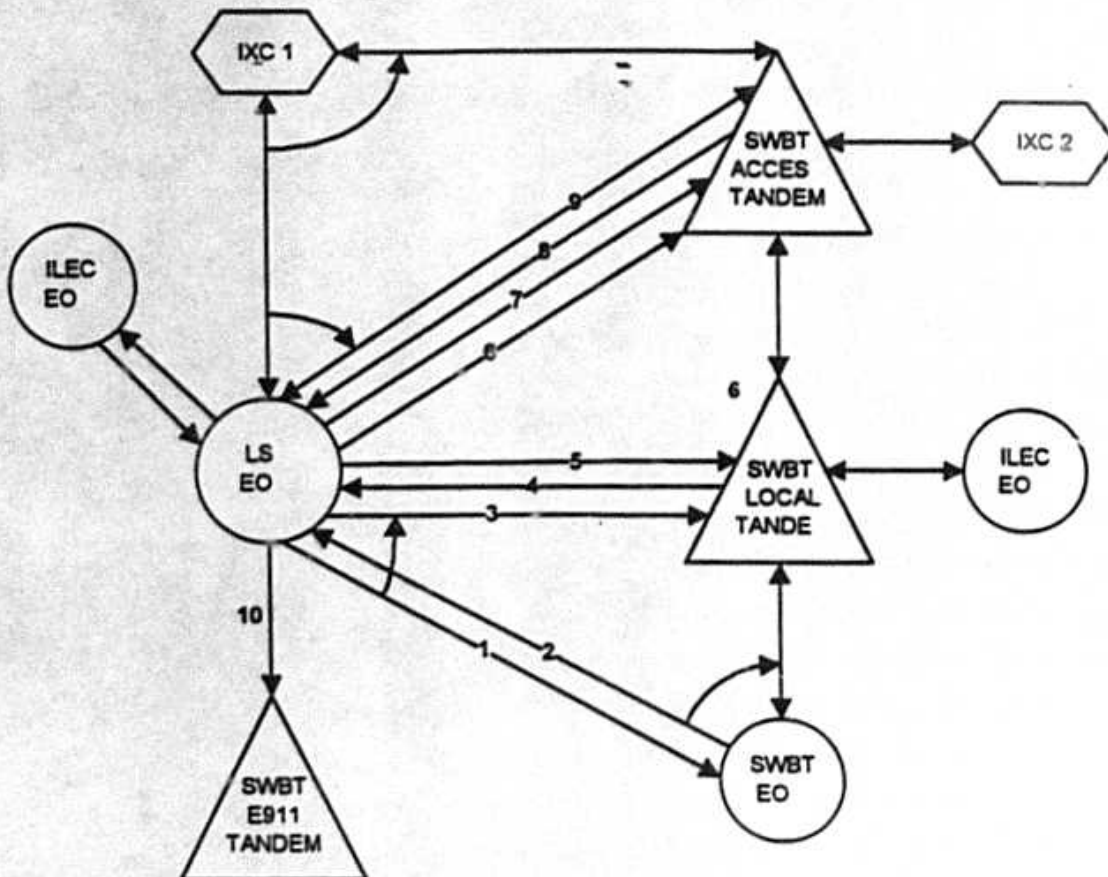
The Parties shall establish a segregated trunk group from MFS's network to each appropriate E911 tandem within each Metropolitan Exchange Area listed in Schedule 3.0. This trunk group shall be set up as a one-way (from MFS to SWBT) only and shall utilize Multi-Frequency (MF) Centralized Automated Message Accounting (CAMA) signaling. The traffic use code and modifier for this trunk group shall be ESJ (see Scenario 1, 2, 3 or 4).

VI. DIRECTORY ASSISTANCE TRUNKS (See also Section 7.6)

- A. To the extent MFS utilizes SWBT-provided DA services, the Parties shall establish a segregated trunk group from MFS's network to SWBT's TOPS tandem. This trunk group shall be set up as one-way (from MFS to SWBT) only and utilize MF and Operator Services signaling. The traffic use code and modifier for this trunk group shall be DAJ (see Scenario 5).
- B. To the extent MFS utilizes SWBT-provided DA service, MFS may also contract for Directory Assistance Call Completion (DACC) on DA calls handled by SWBT. Should MFS choose to contract for SWBT-provided DACC, the one-way (from MFS to SWBT) only MF trunk group specified above shall be employed, but the traffic use code and modifier for this trunk group shall be redesignated as DACCJ (see Scenario 5).

SCENARIO 4

SINGLE RATE AREA - SEPARATE SWBT LOCAL AND ACCESS TANDEMS WITH SOME DIRECT END OFFICE, ILEC AND IXC TRUNKING



| TRAFFIC USE/MODIFIER | DESCRIPTION |
|----------------------|---|
| 1. IEJ | LOCAL ONLY (SS7 SIGNALING) |
| 2. IEJ | LOCAL ONLY (SS7 SIGNALING) |
| 3. TOJ | LOCAL ONLY (SS7 SIGNALING) |
| 4. TGJ | LOCAL ONLY (SS7 SIGNALING) |
| 5. TOCRJ | MASS CALLING (MF SIGNALING) |
| 6. DD800J | INTRALATA 800 (MAXIMIZER 800) (SS7 SIGNALING) # |
| 7. DDJ | INTRALATA ONLY (SS7 SIGNALING) |
| 8. TCJ | INTRALATA ONLY (SS7 SIGNALING) |
| 9. MDJ | INTERLATA ONLY (SS7 SIGNALING) |
| 10. ESJ | EMERGENCY SERVICE (MF SIGNALING) |

Required if SWBT does not perform database query for the LSP

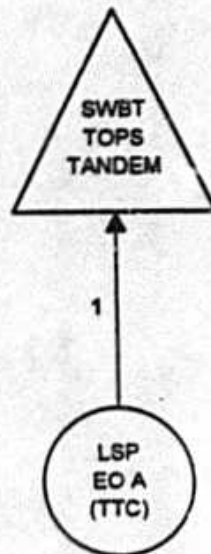
“Proprietary”

Not for Use or Disclosure Outside the Southwestern Bell Corporation
 Family of Companies Except Under Written Agreement.

Revised 6/17/96

SCENARIO 5

**SINGLE RATE AREA - COMBINED SWBT LOCAL/ACCESS TANDEM
WHERE SWBT IS THE OPERATOR SERVICES DIRECTORY ASSISTANCE
DIRECTORY ASSISTANCE CALL COMPLETION PROVIDER FOR THE LSP**



TRAFFIC USE/MODIFIER

1. DAJ OR DACCJ

DESCRIPTION

**DIRECTORY ASSISTANCE/DIRECTORY ASSISTANCE CALL
COMPLETION (MF SIGNALING, OPERATOR SERVICES SIGNALING)**

"Proprietary"

**Not for Use or Disclosure Outside the Southwestern Bell Corporation
Family of Companies Except Under Written Agreement.**

Revised 7/1/96

SCENARIO 6

**SINGLE RATE AREA - COMBINED SWBT LOCAL/ACCESS TANDEM
WHERE SWBT IS NOT THE OPERATOR SERVICES PROVIDER
FOR THE LSP AND THE LSP'S SWITCH IS THE DESIGNATE
OPERATOR SWITCH (TTC) FOR 121 INWARD ASSISTANCE**



| <u>TRAFFIC USE/MODIFIER</u> | <u>DESCRIPTION</u> |
|-----------------------------|---|
| 1. OAJ | ACCESS TO INWARD OPERATOR (121) (MF SIGNALING)... |

EXHIBIT D

PHYSICAL COLLOCATION AGREEMENT

BETWEEN

SOUTHWESTERN BELL TELEPHONE COMPANY

AND

[LEGAL NAME]

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PHYSICAL COLLOCATION AGREEMENT

THIS PHYSICAL COLLOCATION AGREEMENT ("Agreement") is made this ____ day of _____, 19__ by and between SOUTHWESTERN BELL TELEPHONE COMPANY, a Missouri corporation ("SWBT"), and _____, a [STATE OF INCORPORATION] corporation ("Interconnector").

WITNESSETH

WHEREAS, SWBT is an incumbent local exchange carrier having a statutory duty to provide for "physical collocation" of "equipment necessary for interconnection or access to unbundled network elements" at its premises. 47 U.S.C. 251(c)(6); and

WHEREAS, the Interconnector wishes to physically locate certain of its equipment within the Premises (as defined herein) and connect with SWBT; and

WHEREAS, the building that contains the Premises ("Building") is a central office classified as an end office, a serving wire center, a tandem office, or a remote node that serves as a rating point for special access or switched access transport (singularly, an "Eligible Structure").

NOW THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SWBT and the Interconnector (the "parties") agree as follows:

ARTICLE I - PREMISES

1.1 Right to Use. Subject to this Agreement, SWBT grants to Interconnector the right to use the premises described on Exhibit ____ ("Premises"), attached and incorporated herein, within real property at _____ in the City of _____ County of _____, State of _____.

1.2 Relocation Notwithstanding Section 1.1, in the event that SWBT ceases to use the Building as currently used or as another type of Eligible Structure, or ceases to own or occupy either the Building or the floor space on which the Premises is located, the Interconnector shall move its facilities to the new location if the Interconnector wishes to continue under this Agreement. The Interconnector shall be responsible for the preparation of the new premises at the new location if such relocation arises from circumstances beyond the reasonable control of SWBT, including condemnation or government order or regulation that makes the continued occupancy or use of the Premises or Building for the purpose then used uneconomical in SWBT's reasonable discretion. Otherwise SWBT shall be responsible for any such preparation and shall bear all SWBT costs associated with the relocation.

If the Interconnector requests that the Premises be moved within the Building or to another Eligible Structure, SWBT shall permit the Interconnector to relocate the Premises, subject to availability of space and technical feasibility. The Interconnector shall be responsible for all applicable charges associated with the move, including the reinstallation of its equipment and facilities and the preparation of the new Premises and the new Eligible Structure as applicable.

In either such event, the new premises shall be deemed the "Premises" hereunder and the new Eligible Structure (where applicable) the "Building."

1.3 The Premises SWBT agrees, at the Interconnector's sole cost and expense as set forth herein, to prepare the Premises in accordance with working drawings and specifications entitled _____ and dated _____, which documents, marked Exhibit ____, are attached and incorporated herein. The preparation shall be arranged by SWBT in compliance with all applicable codes, ordinances, resolutions,

regulations and laws. SWBT agrees to pursue diligently the preparation of the Premises for use by the Interconnector in accordance herewith.

ARTICLE II - EFFECTIVENESS AND REGULATORY APPROVAL

2.1 Submission to State Commission. The Agreement is prepared as a component of the "Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996" dated as of July 16, 1996, between SWBT and the MFS Communications Company, Inc. ("Interconnection Agreement"), and the parties intend to submit the Agreement and other elements of the Interconnection Agreement to state commissions for approval under the provisions of 47 U.S.C. § 252. This Agreement is conditioned upon the approval of this Agreement and the Interconnection Agreement. After execution of this Agreement, the parties shall submit it and the Interconnection Agreement to the State commission in the State in which the Premises is located for approval, and shall defend the Agreement and support any reasonable effort to have this Agreement so approved, including the supplying of witnesses and testimony if a hearing is held.

2.2 Failure to Receive Approval. If this Agreement does not receive such unqualified approval, this Agreement shall be void upon written notice of either party to the other after such regulatory action becomes final and unappealable. Thereafter Interconnector may request to begin negotiations again under 47 U.S.C. 251. Alternatively, the parties may both agree to modify this Agreement to receive such approval, but neither shall be required to agree to any modification. Any agreement to modify shall not waive the right of either party to pursue any appeal of the ruling made by any reviewing regulatory commission or to seek arbitration of any of

the terms of this Agreement or any of the terms of the Interconnection Agreement.

2.3 Preparation Prior to Regulatory Approval At the written election of the Interconnector, SWBT shall begin preparing the Premises for the Interconnector prior to receiving the approval required by Section 2.1 hereof. The sole evidence of such election shall be the payment to SWBT of the initial payments specified in Sections 4.4 and 4.5; provided, however, except where transitioning certain virtual collocation arrangements to physical collocation arrangements as set forth in the Interconnection Agreement, the election shall be made in accordance with the Interconnection Agreement. Payment to SWBT of any remaining charges under these Sections shall be due upon completion. Upon such an election, this Agreement shall become effective but only insofar as to be applicable to the Premises preparation. In the event that the Agreement does not become fully effective as contemplated by this Article, the Interconnector shall not be entitled to any refund or return of any such payments beyond any portion of the charges paid but not attributable to costs incurred by SWBT. To the extent that SWBT has incurred preparation costs not included within any payment made by the Interconnector, the Interconnector shall pay those costs within thirty (30) days of notice by SWBT.

ARTICLE III - TERM

3.1 Commencement Date This Agreement shall be a term agreement, beginning on the "Commencement Date" and ending on the date five (5) years afterwards. The "Commencement Date" shall be the first day after the Interconnector has been notified that the preparation of the Premises is complete. At the end of the term and unless the parties agree to an extension or a superseding arrangement, this Agreement shall be month-to-month.

3.2 Occupancy. Unless there are unusual circumstances, SWBT will notify the Interconnector that the Premises is ready for occupancy within five (5) days after SWBT completes preparations described in Section 2.3. The Interconnector must place operational telecommunications equipment in the Premises and connect with SWBT's network within 180 days after receipt of such notice; provided, however, that such 180-day period shall not begin until regulatory approval is obtained under Article II and, further, that SWBT may extend beyond 180 days upon a demonstration by the Interconnector of a best efforts to meet that deadline and circumstances beyond its reasonable control that prevented the Interconnector from meeting that deadline. If the Interconnector fails to do so, this Agreement is terminated on the tenth (10th) day after SWBT provides the Interconnector with written notice of such failure and the Interconnector does not place operational telecommunications equipment in the Premises and connect with SWBT's network by such tenth day. In any such event, the Interconnector shall be liable in an amount equal to the unpaid balance of the Preparation Charge. For purposes of this Section, the Interconnector's telecommunications equipment is considered to be operational and interconnected when connected to SWBT's network for the purpose of providing service.

ARTICLE IV - PREMISES CHARGES

4.1 Monthly Charges. Beginning on the Commencement Date, Interconnector shall pay to SWBT a charge of _____ Dollars (\$_____) per month for use of the Premises.

4.2 Billing. Billing shall occur on or about the 25th day of each month, with payment due thirty (30) days from the bill date. SWBT may change its billing date practices upon thirty (30) days notice to the Interconnector.

4.3 Preparation Charge. (a) The one-time charge for preparing the Premises for use by

the Interconnector is estimated to be _____ Dollars (\$XXX.XX) ("Preparation Charge"), which consists of two components: (i) the charge to the Interconnector associated with modifying the Building to provide physical collocation ("Common Charge"), and (ii) the charge associated with preparing the Premises ("Premises Charge"). Of the Preparation Charge _____ Dollars (\$XXX.XX) is the estimate for subcontractor charges ("Subcontractor Charges").

(b) SWBT will contract for and perform the construction and preparation activities underlying the Preparation Charge, including the Common Charge, the Premises Charge, and the Subcontractor Charges, and any Custom Work charges, using same or consistent practices that are used by SWBT for other construction and preparation work performed in the Building. At the request of the Interconnector, SWBT will obtain more than one trade subcontractor submission to the extent available when the initial trade subcontractor bid, proposal, or quotation exceeds \$10,000. It is understood and agreed that any such request for additional subcontractor submissions will likely add to the time necessary to provide physical collocation. Subject to an appropriate non-disclosure agreement, SWBT will permit the Interconnector to inspect supporting documents for the Preparation Charge, including the Common Charge (if the Interconnector is the initial physical collocater as used in Section 4.5(b)) and the Premises Charge, and any Custom Work charge. Any dispute regarding such SWBT charges will be subject to the dispute resolution provisions hereof

(c) Included within the calculation of the Premises Charge shall be a charge for the point-of-termination frame to be provided by SWBT for the Premises. In lieu thereof, if the Interconnector has so elected on its initial application, the Interconnector shall provide to SWBT

a point-of-termination frame identical in manufacturer and part number(s) that SWBT would have provided as part of the Premises Charge if such election had not been made, and SWBT shall not include any cost for a point-of-termination frame within the Premises Charge (but may include installation and other charges where appropriate).

4.4 Payment of Premises Charge. Prior to any obligation on SWBT to start any preparation of the Premises, the Interconnector shall pay SWBT fifty percent (50%) of the Premises Charge and eighty-five percent (85%) of any custom work charge required to create or vacate any entrance facility for the Interconnector ("Custom Work"), and shall be due no later than ten (10) business days after the Agreement has become effective in accordance with Article II hereof. The remainder of the Premises Charge and any Custom Work charge are due upon completion and prior to occupancy by the Interconnector.

4.5 Payment of Common Charge. (a) In addition and prior to any obligation on SWBT to start any preparation of the Building for physical collocation, the Interconnector shall pay SWBT fifty percent (50%) of the Common Charge. The other fifty percent (50%) of the Common Charge is due upon completion and prior to occupancy by the Interconnector.

(b) The first entity to which SWBT provides physical collocation in the Building shall be responsible for all costs incurred by SWBT associated with the preparation of the Building to provide physical collocation in the initial space where physical collocation is to be located ("Initial Common Charge"). Thereafter the Initial Common Charge will be prorated and the prorated share refunded to the previous physical collocater(s) as additional entities use physical collocation in the Building within twelve (12) months of the first billing date of the initial monthly charge for the first physical collocater in the Building, using the following schedule:

| <u>Collocator</u> | <u>Initial Common Charge</u> | <u>Refund</u> |
|-------------------|------------------------------|---------------|
| 1st | 100% | NA |
| 2nd | 50% | 50% |
| 3rd | 33 1/3% | 16 2/3% |
| 4th | 25% | 8 1/3% |
| 5th and beyond | 0% | 0% |

To the extent that a physical collocator uses a space other than such initial space, SWBT shall refund to the Interconnector the portion of the Initial Common Charge applicable to such collocator based on the relative use of such initial space in a manner consistent with the above methodology and other terms of this Agreement.

(c) No interest will be paid on refunds. Refunds shall be based on the Initial Common Charge actually paid by the first physical collocator.

(d) Notwithstanding the above, SWBT shall have no obligation to remit any amount that would result in SWBT being unable to retain the full amount of the Initial Common Charge or to remit any amount based upon charges not actually collected. However, except as required by law, as a result of arbitration under Section 252, or pursuant to an arrangement whereby those physically collocated in the Building prior to July 14, 1995, are permitted to physically collocate in the same Building, SWBT shall not permit another entity to physically collocate in the Building without a charge similar in nature and purpose as the Common Charge. If SWBT does, SWBT will refund 100% of the nonrecurring Common Charge paid by the Interconnector not previously refunded if, within twelve (12) months of completion of the work represented by the Common Charge, SWBT permits another interconnector to place equipment in the common space prepared for or used by the Interconnector without a common charge.

4.6 Payment of Preparation Charge. SWBT is not obligated to start any preparation of

the Premises until the Interconnector pays SWBT fifty percent (50%) of the Preparation Charge and eighty-five percent (85%) of the charges for any Custom Work charge. Such charges shall be due no later than ten (10) business days after the Agreement has become effective in accordance with Article II hereof. The remainder of the Preparation Charge and any Custom Work charge are due upon completion and prior to occupancy by the Interconnector.

4.7 Occupancy Conditioned on Payment. SWBT shall not permit the Interconnector to have access to the Premises for any purpose other than inspection until SWBT is in receipt of complete payment of the Preparation Charge and any Custom Work charges.

4.8 Subcontractor Charges. Within one hundred twenty (120) days of the completion date of the Premises, SWBT shall perform a true-up of all Subcontractor Charges using the actual amounts billed by subcontractors. Any amounts incurred above the Subcontractor Charges will be billed to the Interconnector or, alternatively, any amount below such Charges will be remitted to the Interconnector.

4.9 Breach Prior to Commencement Date. In the event that the Interconnector materially breaches this Agreement by purporting to terminate this Agreement after SWBT has begun preparation of the Premises but before SWBT has been paid the entire amounts due under Sections 4.4 and 4.6, then in addition to any other remedies that SWBT might have, the Interconnector shall be liable in the amount equal to the non-recoverable costs less estimated net salvage. Non-recoverable costs include the non-recoverable cost of equipment and material ordered, provided or used; true-up Subcontractor Charges, the non-recoverable cost of installation and removal, including the costs of equipment and material ordered, provided or used; labor, transportation and any other associated costs. SWBT shall provide Interconnector with a

detailed invoice showing the costs it incurred associated with preparation.

4.10 Late Payment Charge. In the event that any charge is not paid when due, the unpaid amounts shall bear interest in accordance with the terms and conditions set forth in SWBT's intrastate tariff late payment provision(s) applicable to access services for the State in which the Premises is located, or the highest rate permitted by law, whichever is lower, from the due date until paid.

ARTICLE V - INTERCONNECTION CHARGES

Charges for interconnection shall be set forth in the Interconnection Agreement and any applicable SWBT tariffs.

ARTICLE VI - FIBER OPTIC CABLE AND DEMARCATION POINT

6.1 Fiber Entrances. The Interconnector shall use a dielectric fiber optic cable as a transmission medium to the Premises or, where technically and structurally feasible, microwave. SWBT shall provide at least two separate points of entry to the Building wherever there are at least two entry points for SWBT cable. Where such space is not immediately available, SWBT shall perform work as is necessary to make available such separate points of entry for the Interconnector at the same time that it makes such separate points of entry available for itself. In each instance where SWBT performs such work in order to accommodate its own needs and those specified by the Interconnector in the Interconnector's written request, the Interconnector and SWBT shall share the costs incurred by SWBT by pro-rating those costs using the number of cables to be placed in the entry point by each of the two parties in the first twelve (12) months

thereafter.

6.2 Demarcation Point SWBT shall designate the point(s) of termination within the Building as the point(s) of physical demarcation between the Interconnector's network and SWBT's network, with each being responsible for maintenance and other ownership obligations and responsibilities on its side of that demarcation point. SWBT anticipates that the demarcation point will be within the point-of-termination frame used for the Premises.

ARTICLE VII - USE OF PREMISES

7.1 Nature of Use The Premises is to be used by the Interconnector for purposes of locating equipment and facilities to connect with SWBT services only. Conditioned upon the other provisions hereof, SWBT shall permit Interconnector to place, maintain and operate on Premises any telecommunications equipment not specified by the FCC in CC Docket 91-141 that is necessary for Interconnector to provide any and all services which Interconnector has legal authority to provide. Consistent with the nature of the Building and the environment of the Premises, the Interconnector shall not use the Premises for office, retail, or sales purposes. No signage or marking of any kind by the Interconnector shall be permitted on the Building or on the grounds surrounding the Building.

7.2 Equipment List A list of all the Interconnector's equipment and facilities that will be initially placed within the Premises is set forth on Exhibit __, attached and incorporated herein, with the associated power requirements, floor loading, and heat release of each piece.

Interconnector's equipment and facilities shall be compliant with the standards set out in Section

8.1. The Interconnector warrants and represents that Exhibit __ is a complete and accurate list,

and acknowledges that any incompleteness or inaccuracy would be a material breach of this Agreement. The Interconnector shall not place or leave any equipment or facilities within the Premises beyond those listed on Exhibit ____ without the express written consent of SWBT.

7.2.1 Subsequent Requests to Place Equipment. In the event that subsequent to the execution of this Agreement the Interconnector desires to place in the Premises any equipment or facilities not set forth on Exhibit ____, the Interconnector shall furnish to SWBT a written list and description thereof substantially in the form of Attachment A, which is attached and incorporated. SWBT may condition the placement of any such equipment or facilities on additional charges arising from the request, including any engineering design charges and any additional requirements such as power and environmental requirements for such listed and described equipment and/or facilities. Upon the execution by both parties of a final list and description, including any applicable charges, this Agreement shall be deemed to have been amended to include the terms and conditions of the final list and description.

7.2.2 Limitations. Except as required by state or federal regulators, the foregoing imposes no obligation upon SWBT to purchase additional plant or equipment, relinquish used space or facilities, or to undertake the construction of new building quarters or to construct building additions to existing quarters in order to satisfy a subsequent request for additional space or the placement of additional equipment or facilities.

7.3 Administrative Uses. The Interconnector may use the Premises for placement of equipment and facilities only. The Interconnector's employees, agents and contractors shall be permitted access to the Premises at all reasonable times, provided that the Interconnector's employees, agent and contractors comply with SWBT's policies and practices pertaining to fire,

safety and security. The Interconnector agrees to comply promptly with all laws, ordinances and regulations affecting the use of the Premises. Upon the expiration of the Agreement, the Interconnector shall surrender the Premises to SWBT, in the same condition as when first occupied by the Interconnector, except for ordinary wear and tear.

7.4 Threat to Network or Facilities. Interconnector equipment or operating practices representing a significant demonstrable technical threat to SWBT's network or facilities, including the Building, are strictly prohibited.

7.5 Interference or Impairment. Notwithstanding any other provision hereof, the characteristics and methods of operation of any equipment or facilities placed in the Premises shall not interfere with or impair service over any facilities of SWBT or the facilities of any other person or entity located in the Building; create hazards for or cause damage to those facilities, the Premises, or the Building; impair the privacy of any communications carried in, from, or through the Building; or create hazards or cause physical harm to any individual or the public. Any of the foregoing events would be a material breach of this Agreement.

7.6 Interconnection to Others. Except to the extent that SWBT is required by law to permit, the Interconnector shall not be permitted to directly connect to other interconnectors' facilities and/or services within the Building.

7.7 Personalty and its Removal. Subject to the Article, the Interconnector may place or install in or on the Premises such fixtures and equipment as it shall deem desirable for the conduct of business. Personal property, fixtures and equipment placed by the Interconnector in the Premises shall not become a part of the Premises, even if nailed, screwed or otherwise fastened to the Premises, but shall retain their status as personalty and may be removed by Interconnector at

any time. Any damage caused to the Premises by the removal of such property shall be promptly repaired by Interconnector at its expense.

7.8 Alterations In no case shall the Interconnector or any person purporting to be acting through or on behalf of the Interconnector make any rearrangement, modification, improvement, addition, repair, or other alteration to the Premises or the Building without the advance written permission and direction of SWBT. SWBT shall consider a modification, improvement, addition, repair, or other alteration requested by the Interconnector, provided that SWBT shall have the right to reject or modify any such request except as required by state or federal regulators. The cost of any such construction shall be paid by Interconnector in accordance with SWBT's then-standard custom work order process.

ARTICLE VIII - STANDARDS

8.1 Minimum Standards. This Agreement and the physical collocation provided hereunder is made available subject to and in accordance with the (i) Bellcore Network Equipment Building System (NEBS) Generic Requirements (GR-63-CORE and GR-1089-CORE), as may be amended at any time and from time to time, and any successor documents; (ii) SWBT's Technical Publication for Physical Collocation dated _____; (iii) SWBT's Technical Publication 76300, Installation Guide, dated _____, followed in installing network equipment and facilities within SWBT central offices; (iv) SWBT's Emergency Operating Procedures, as may be amended from time to time; and (v) any statutory and/or regulatory requirements in effect at the execution of this Agreement or that subsequently become effective and then when effective. The Interconnector shall strictly observe and abide by each. In

the event of a contradiction between this Agreement and SWBT's Technical Publication for Physical Collocation or any revision thereof (whether objected to or not as provided below), this Agreement shall control.

8.2 Revisions. Any revision to SWBT's Technical Publication for Physical Collocation, or its Technical Publication 76300, shall become effective and thereafter applicable under this Agreement thirty (30) days after such revision is released by SWBT except for those particular revisions to which the Interconnector specifically objects within fifteen (15) days of receipt, providing therewith an explanation for each such objection. Upon each such objection, SWBT and the Interconnector shall attempt to negotiate a resolution to any such objections. Notwithstanding the foregoing, any revision made to address situations potentially harmful to SWBT's network, the Premises, or the Building, to address Building or Premises security issues, to comply with statutory and/or regulatory requirements, or to SWBT's Emergency Operating Procedures shall become effective and applicable immediately notwithstanding any objection by the Interconnector.

8.3 Compliance Certification. The Interconnector warrants and represents compliance with the Bellcore Network Equipment Building System (NEBS) Generic Requirements (GR-63-CORE and GR-1089-CORE) for each item set forth on Exhibit ___. The Interconnector also warrants and represents that any equipment or facilities that may be placed in the Premises pursuant to Sections 7.2, 7.2.1, or otherwise shall be so compliant. Disclosure of any non-compliant item on Exhibit ___, pursuant to Section 7.2.1, or otherwise shall not qualify this absolute certification in any manner.

ARTICLE IX - RESPONSIBILITIES OF THE INTERCONNECTOR AND SWBT

9.1 Contact Number. The Interconnector is responsible for providing to SWBT personnel a contact number for Interconnector technical personnel who are readily accessible 24 hours a day, 7 days a week. SWBT is also responsible for providing to Interconnector personnel a contact number for Interconnector technical personnel who are readily accessible 24 hours a day, 7 days a week.

9.2 Trouble Status Reports. The Interconnector is responsible for promptly providing trouble report status when requested by SWBT. Likewise, SWBT is responsible for promptly providing trouble report status relating to this Agreement when requested by Interconnector.

9.3 Optical Fiber Extension. The Interconnector is responsible for bringing its fiber optic cable to the Building's entrance manhole(s) designated by SWBT, and for leaving sufficient cable length in order for SWBT to fully extend the Interconnector-provided cable through the cable vault to the Premises.

9.4 Regeneration. Regeneration of either DS1 and DS3 signal levels may be provided at the Interconnector's option by the Interconnector within the Premises, or SWBT under its then-standard custom work order process, including payment requirements prior to the installation of the regeneration equipment.

9.5 Removal. The Interconnector is responsible for removing any equipment, property or other items that it brings into the Premises or any other part of the Building. If the Interconnector fails to remove any equipment, property, or other items from the Premises within thirty (30) days after discontinuance of use, SWBT may perform the removal and shall charge the Interconnector for any materials used in any such removal, and the time spent on such removal at the then-

applicable hourly rate for custom work. Further, in addition to the other provisions herein, the Interconnector shall indemnify and hold SWBT harmless from any and all claims, expenses, fees, or other costs associated with any such removal by SWBT.

9.6 Interconnector's Equipment and Facilities. The Interconnector is solely responsible for the design, engineering, testing, performance, and maintenance of the equipment and facilities used by the Interconnector in the Premises. The Interconnector will be responsible for servicing, supplying, repairing, installing and maintaining the following facilities within the Premises:

- (a) its fiber optic cable(s);
- (b) its equipment;
- (c) required point of termination cross connects;
- (d) point of termination maintenance, including replacement fuses and circuit breaker restoration, to the extent that such fuses and circuit breakers are within the Premises and accessible by the Interconnector and only if and as required; and
- (e) the connection cable and associated equipment which may be required within the Premises to the point(s) of termination.

SWBT neither accepts nor assumes any responsibility whatsoever in any of these areas.

9.7 Verbal Notifications Required. The Interconnector is responsible for immediate verbal notification to SWBT of significant outages or operations problems which could impact or degrade SWBT's network, switches, or services, and for providing an estimated clearing time for restoral. In addition, written notification must be provided within twenty-four (24) hours. Likewise, SWBT is responsible for providing the same notice to Interconnector of problems with SWBT's network or operations which could impact or degrade Interconnector's network,

switches, or services, and provide an estimated clearing time for restoral. For purposes of this Section and Section 9.10 only, written notification may be given by electronic mail so long as the verbal notification was previously provided.

9.8 Service Coordination. The Interconnector and SWBT are responsible for coordinating with each other to ensure that services are installed in accordance with the service request.

9.9 Testing. The Interconnector is responsible for promptly testing, to identify and clear a trouble when the trouble has been isolated to an Interconnector-provided facility or piece of equipment. If SWBT testing is also required, it will be promptly provided at charges specified in SWBT's F.C.C. No. 73, Section 13.

ARTICLE X - QUIET ENJOYMENT

Subject to the other provisions hereof, SWBT covenants that it has full right and authority to permit the use of the Premises by the Interconnector and that, so long as the Interconnector performs all of its obligations herein, the Interconnector may peaceably and quietly enjoy the Premises during the term hereof.

ARTICLE XI - ASSIGNMENT

The Interconnector shall not assign or otherwise transfer this Agreement, neither in whole nor in part, or permit the use of any part of the Premises by any other person or entity, without the prior written consent of SWBT. Any purported assignment or transfer made without such consent shall be voidable at the option of SWBT. The Interconnector shall not permit another

interconnector to jointly occupy the Premises.

ARTICLE XII - CASUALTY LOSS

12.1 Damage to Premises. If the Premises is damaged by fire or other casualty, and

(i) the Premises is not rendered untenable in whole or in part, SWBT shall repair the same at its expense (as hereafter limited) and the monthly charge shall not be abated, or

(ii) The Premises is rendered untenable in whole or in part and such damage or destruction can be repaired within ninety (90) days, SWBT has the option to repair the Premises at its expense (as hereafter limited) and monthly charge shall be proportionately abated while Interconnector was deprived of the use. If the Premises cannot be repaired within ninety (90) days, or SWBT opts not to rebuild, then this Agreement shall (upon notice to the Interconnector within thirty (30) days following such occurrence) terminate as of the date of such damage. Upon the Interconnector's election, SWBT must provide to Interconnector a comparable substitute collocation arrangement at another mutually agreeable location at the applicable nonrecurring charges for that arrangement and location.

Any obligation on the part of SWBT to repair the Premises shall be limited to repairing, restoring and rebuilding the Premises as originally prepared for the Interconnector and shall not include any obligation to repair, restore, rebuild or replace any alterations or improvements made by the Interconnector or by SWBT on request of the Interconnector; or any fixture or other equipment installed in the Premises by the Interconnector or by SWBT on request of the Interconnector.

12.2 Damage to Building. In the event that the Building shall be so damaged by fire or

other casualty that closing, demolition or substantial alteration or reconstruction thereof shall, in SWBT's opinion, be advisable, then, notwithstanding that the Premises may be unaffected thereby, SWBT, at its option, may terminate this Agreement by giving the Interconnector ten (10) days prior written notice within thirty (30) days following the date of such occurrence, if at all possible.

ARTICLE XIII - RE-ENTRY

If the Interconnector shall default in performance of any agreement herein, and the default shall continue for sixty (60) days after receipt of written notice, or if the Interconnector is declared bankrupt or insolvent or makes an assignment for the benefit of creditors, SWBT may, immediately or at any time thereafter, without notice or demand, enter and repossess the Premises, expel the Interconnector and any claiming under the Interconnector, remove the Interconnector's property, forcibly if necessary, and thereupon this Agreement shall terminate, without prejudice to any other remedies SWBT might have.

SWBT may also refuse additional applications for service and/or refuse to complete any pending orders for additional space or service by the Interconnector at any time thereafter.

ARTICLE XIV - LIMITATION OF LIABILITY

14.1 Limitation. With respect to any claim or suit for damages arising in connection with the mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring either in the course of furnishing service hereunder or in complying with this Agreement, the liability of either party, if any, shall not exceed an amount equivalent to the proportionate monthly charge to

the Interconnector for the period during which such mistake, omission, interruption, delay, error, or defect in transmission or service occurs and continues.

Neither party shall be responsible to the other for any indirect, special, consequential, lost profit, or punitive damages, whether in contract or tort.

Each party shall be indemnified and held harmless by the other against claims and damages by any third party arising from provision of the other party's services or equipment except those claims and damages directly associated with the provision of services to the other party which are governed by the provisioning party's applicable tariffs.

Neither party shall have any liability whatsoever to the customers of the other party for claims arising from the provision of the other party's service to its customers, including claims for interruption of service, quality of service or billing disputes.

The liability of either party for its wilful misconduct, if any, is not limited by this Agreement.

To the extent not contradicted by other provisions of this Agreement, any limitation of liability contained in the Interconnection Agreement shall also apply to this Agreement and are incorporated herein by this reference.

14.2 Third Parties. The Interconnector acknowledges and understands that SWBT may provide space in or access to the Building or other network site to other persons or entities ("Others"), which may include competitors of Interconnector's; that such space may be close to the Premises, possibly including space adjacent to the Premises and/or with access to the outside of the Premises; and that the cage around the Premises is a permeable boundary that will not prevent the Others from observing or even damaging the Interconnector's equipment and

facilities. In addition to any other applicable limitation, neither party shall have absolutely any liability, whether claimed in tort or contract, with respect to any act or omission by any Other, regardless of the degree of culpability of any such Other, except in instances involving willful actions by either party or its agents or employees.

ARTICLE XV - INDEMNIFICATION

Except as otherwise provided and to the extent not contradicted herein, the indemnity provisions of the Interconnection Agreement shall apply and are incorporated herein by this reference.

ARTICLE XVI - SERVICES, UTILITIES, MAINTENANCE AND FACILITIES

16.1 Operating Services. SWBT, at its sole cost and expense, shall maintain for the Building customary building services, utilities (excluding telephone facilities), including janitor and elevator services, 24 hours a day. The Interconnector shall be permitted to have a single-line business telephone service for the Premises subject to applicable SWBT tariffs.

16.2 Utilities. SWBT will provide negative DC and AC power, back-up power, heat, air conditioning and other environmental support necessary for the Interconnector's equipment, in the same manner that it provides such support items for its own equipment within that Building.

16.3 Maintenance. SWBT shall maintain the exterior of the Building and grounds, and all entrances, stairways, passageways, and exits used by the Interconnector to access the Premises.

16.4 Legal Requirements. SWBT agrees to make, at its expense, all changes and additions to the Premises required by laws, ordinances, orders or regulations of any municipality,

county, state or other public authority including the furnishing of required sanitary facilities and fire protection facilities, except fire protection facilities specially required because of the installation of telephone or electronic equipment and fixtures in the Premises.

ARTICLE XVII - DISPUTE RESOLUTION

For disputes arising out of this Agreement, the parties agree that they will follow the procedures as set forth in Section 28.13 of the Interconnection Agreement executed between the parties.

ARTICLE XVIII - SUCCESSORS BOUND

Without limiting Article XI hereof, the conditions and agreements contained herein shall bind and inure to the benefit of SWBT, the Interconnector and their respective successors and, except as otherwise provided herein, assigns.

ARTICLE XIX - CONFLICT OF INTEREST

The Interconnector represents that no employee or agent of SWBT has been or will be employed, retained, paid a fee, or otherwise has received or will receive any personal compensation or consideration from the Interconnector, or any of the Interconnector's employees or agents in connection with the arranging or negotiation of this Agreement or associated documents.

ARTICLE XX - NON-EXCLUSIVE REMEDIES

Except as otherwise provided, no remedy herein conferred upon is intended to be exclusive of any other remedy in equity, provided by law, or otherwise, but each shall be in addition to every other such remedy.

ARTICLE XXI - NOTICES

Except as may be specifically permitted in this Agreement, any notice, demand, or payment required or desired to be given by one party to the other shall be in writing and shall be valid if dispatched by registered or certified mail, return receipt requested, postage prepaid, in the United States mails, or by facsimile transmission; provided, however, that notices sent by such registered or certified mail shall be effective on the date stated on the receipt and those sent by facsimile transmission shall only be effective on the first business day following the date of transmission ("Business day" means Monday through Friday, SWBT or Interconnector holidays excepted as applicable) and if also dispatched by that next business day by registered or certified mail, return receipt requested, postage prepaid, in the United States mails. All notices shall be addressed as follows:

If to SWBT:

If to the Interconnector:

Either party hereto may change its address by written notice given to the other party hereto in the

manner set forth above.

ARTICLE XXII - COMPLIANCE WITH LAWS

Each party and all persons acting through or on behalf of such party shall comply with the provisions of the Fair Labor Standards Act, the Occupational Safety and Health Act, and all other applicable federal, state, county, and local laws, ordinances, regulations and codes (including identification and procurement of required permits, certificates, approvals and inspections) in its performance hereunder. Each party further agrees during the term of this Agreement to comply with all applicable Executive and Federal regulations.

ARTICLE XXIII - INSURANCE

Interconnector agrees to maintain, at Interconnector's expense, during the entire time this Agreement is in effect: (i) General Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury or property damage, (ii) Employer's Liability in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence, (iii) Worker's Compensation in an amount not less than that prescribed by statutory limits, and (iv) Umbrella/Excess liability coverage in an amount of \$5 million excess of coverage specified above.

If use of an automobile is required or if the Interconnector is provided or otherwise allowed parking space by SWBT in connection with this Agreement, the Interconnector shall also maintain, at its expense, automobile liability insurance with minimum limits of \$1 million each accident for Bodily Injury, Death and Property Damage combined. Coverage shall extend to all

owned, hired and non-owned automobiles operated by Interconnector personnel in the execution of this Agreement. The Interconnector hereby waives any rights of recovery against SWBT for damage to the Interconnector's vehicles while on the grounds of the Building and the Interconnector will hold SWBT harmless and indemnify it with respect to any such damage or damage to vehicles of the Interconnector's employees, contractors, invitees, licensees or agents.

Each policy shall be underwritten by an insurance company having a BEST Insurance rating of B+VII or better, and which is authorized to do business in the jurisdiction in which the Premises is located. Interconnector shall furnish SWBT with certificates of insurance which evidence the minimum levels of insurance set forth herein and which name SWBT as an additional insured. The Interconnector shall arrange for SWBT to receive thirty (30) days advance written notice from the Interconnector's insurance company(ies) of cancellation, non-renewal or substantial alteration of its terms.

The Interconnector releases SWBT from and waives any and all right of recovery, claim, action or cause of action against SWBT, its agents, directors, officers, employees, independent contractors, and other representatives for any loss or damage that may occur to equipment or any other personal property belonging to Interconnector or located on or in the space at the instance of the Interconnector by reason of fire or water or the elements or any other risks would customarily be included in a standard all risk casualty insurance policy covering such property, regardless of cause or origin, including negligence of SWBT, its agents, directors, officers, employees, independent contractors, and other representatives. Any property insurance on the Interconnector's fixtures and other personal property shall contain a waiver of subrogation against SWBT, and any rights of the Interconnector against SWBT for damage to the Interconnector's

fixtures or personal property are hereby waived.

The Interconnector may also elect to purchase business interruption and contingent business interruption insurance, knowing that SWBT has no liability for loss of profit or revenues should an interruption of service occur.

All insurance must be in effect on or before occupancy date and shall remain in force as long as any of the Interconnector's facilities or equipment remain within the Premises or the Building. If the Interconnector fails to maintain the coverage, SWBT may pay the premiums thereon and, if so, shall be reimbursed by the Interconnector.

The Interconnector must also conform immediately to the recommendation(s) specific to the Premises which are made by SWBT's Property Insurance Company as a result of a firesafety inspection. To the extent that those recommendation(s) also apply to SWBT, the Interconnector shall only be required to conform to those recommendation(s) implemented by SWBT. The failure to comply with the preceding sentence shall be deemed a material violation of this Agreement.

ARTICLE XXIV - SWBT'S RIGHT OF ACCESS

SWBT, its agents, employees, and other SWBT-authorized persons shall have the right to enter the Premises at any mutually agreed upon time to examine its conditions, make repairs required to be made by SWBT hereunder, and conduct routine inspections. Notwithstanding the above, SWBT may access the Premises for purposes of averting any threat of harm imposed by the Interconnector or its equipment or facilities upon the operation of SWBT equipment, facilities and/or personnel located outside of the Premises and, in the case of a firesafety or similar

inspection, at any reasonable time.

ARTICLE XXV - OTHER COLLOCATION AGREEMENTS

When SWBT enters into an agreement (the "Other Agreement") for the provision of physical collocation covered by this Agreement with another requesting Telecommunications Carrier, including an Affiliate, SWBT will make available and the Interconnector may avail itself of the same physical collocation rates, terms, or conditions in their entirety as those provided in the Other Agreement, subject to space availability and any applicable state regulatory approval. (The terms "Telecommunications Carrier" and "Affiliate" have the meanings ascribed to them in the Interconnection Agreement.)

ARTICLE XXVI - PURPOSE AND SCOPE OF AGREEMENT

Even though SWBT is permitting the Interconnector in accordance with Section 7.1 to place, maintain, and operate on the Premises any telecommunications equipment not specified by the FCC in CC Docket 91-141, the parties agree that this Agreement is not an admission, waiver, or legal precedent that SWBT has agreed that any such piece of telecommunications equipment is required to be provided under a virtual collocation arrangement under 47 U.S.C. 251(c)(6) or otherwise.

ARTICLE XXVII - MISCELLANEOUS

27.1 Exhibits. The following Exhibits are attached hereto and made part hereof:

Exhibit _____

Exhibit _____

Exhibit _____

Exhibit _____

27.2 Variations. In the event of variation or discrepancy between any duplicate originals hereof, including exhibits, the original Agreement shall control.

27.3 Governing Law. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the Federal Communications Commission, the exclusive jurisdiction and remedy for all such claims shall as provided for by the FCC and the Telecommunications Act of 1996. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the State Commission in the State where the Premises is located, the exclusive jurisdiction for all such claims shall be with that State Commission, and the exclusive remedy for such claims shall be as provided for by that State Commission. In all other respects, this Agreement shall be governed by the domestic laws of the State in which the Premises is located without regard to the choice of law principles thereof.

27.4 Joint and Several. If either party constitutes more than one person, partnership, corporation, or other legal entities, the obligation of all such entities under this Agreement is joint and several.

27.5 Future Negotiations. SWBT may refuse requests for additional space in the Building or in any other SWBT premises if the Interconnector is in material breach of this Agreement, including having any past due charges hereunder. In any and each such event, the Interconnector hereby releases and shall hold SWBT harmless under Article XV from any duty to negotiate with the Interconnector or any of its affiliates for any additional space or physical collocation until the

Interconnector has remedied the alleged breach.

27.6 Severability. With the exception of the requirements, obligations, and rights set forth in Article II hereof, if any of the provisions hereof are otherwise deemed invalid, such invalidity shall not invalidate the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid provision(s), and the rights and obligations of SWBT and the Interconnector shall be construed accordingly.

27.7 Paragraph Headings and Article Numbers. The headings of the articles paragraphs herein are inserted for convenience only and are not intended to affect the meaning or interpretation of this agreement.

27.8 Entire Agreement. Recognizing that this Agreement is component of the Interconnection Agreement, this Agreement with the attached schedules and exhibits, and referenced documentation and materials attached hereto set forth the entire understanding of the parties with respect to physical collocation and supersedes all prior agreements, arrangements and understandings relating to this subject matter and may not be changed except in writing by the parties; provided, however, that this provision shall not affect current or pending tariffs, under investigation or otherwise, including any charges due thereunder. No representation, promise, inducement or statement of intention has been made by either party which is not embodied herein, and there are no other oral or written understandings or agreements between the parties relating to the subject matter hereof except as may be referenced herein.

27.9 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

27.10 Multiple Originals. This Agreement may be executed in multiple copies, each of

which shall be deemed an original.

27.11 Waiver of Obligations. (a) Whenever this Agreement requires the consent of a party, any request for such consent shall be in writing.

(b) Neither party shall be deemed to have waived or impaired any right, authority, or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach hereof to be a default and to terminate this Agreement prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof or any failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including any rule or procedure, or any waiver, forbearance, delay, failure or omission by SWBT to exercise any right, power or option, whether of the same, similar or different nature, with respect to one or more other interconnectors.

27.12 Rights Cumulative. The rights of a party hereunder are cumulative and no exercise or enforcement by such party of any right or remedy hereunder shall preclude the exercise or enforcement of any other right or remedy hereunder or to which such party is entitled to enforce.

27.13 Force Majeure. Neither party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation

facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Condition"). If any Force Majeure Condition occurs, the party delayed or unable to perform shall give prompt notice to the other party and shall take all reasonable steps to correct the Force Majeure Condition. During the pendency of such Condition, the duties of the parties under this Agreement affected by the Force Majeure Condition shall be abated and shall resume without liability thereafter.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed and delivered this Agreement as of the day and year first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION AGREEMENT.

SOUTHWESTERN BELL TELEPHONE COMPANY

By: _____

Title: _____

Interconnector:

By: _____

Title: _____

ATTACHMENT A

Southwestern Bell Telephone Company
[Address and to the attention of per notice provision]

Re: [Reference Identifier on Cover Sheet]

Pursuant to the referenced Physical Collocation Agreement ("Agreement"), this letter constitutes a request to place the following additional equipment and/or facilities in the Premises.

Generic Name # of Bays Floor Loading Power Req. Heat Release

If this request is acceptable to Southwestern Bell Telephone Company ("SWBT"), please indicate that acceptance by executing both originals and returning one to the undersigned. With the return of an executed original, the Agreement shall be deemed amended to reflect that the listed equipment and facilities may be located in the Premises. In all other respects, the Agreement shall be unaffected.

If not acceptable, please let me know of SWBT's objections or conditions to its acceptance.

All capitalized terms not defined in this letter but defined in the Agreement shall have the meaning ascribed to such term in the Agreement.

INTERCONNECTOR

By: _____

Title: _____

Name: _____

AGREED AND ACCEPTED:

**SOUTHWESTERN BELL TELEPHONE
COMPANY**

By: _____

Title: _____

Name: _____

Dated: _____

APPENDIX 911

JULY 1996

APPENDIX 911

TERMS AND CONDITIONS FOR PROVIDING CONNECTION TO E911 UNIVERSAL EMERGENCY NUMBER SERVICE

This Appendix between SWBT and MFS sets forth the terms and conditions upon which SWBT will provide MFS's connection to E911 Universal Emergency Number Service in Texas.

I. DEFINITIONS

As used herein and for the purposes of this Appendix the following terms shall have the meanings set forth below:

- A. E911 Universal Emergency Number Service, also referred to as Expanded 911 Service or Enhanced 911 Service - a telephone exchange communication service whereby a public safety answering point (PSAP) designated by the E911 customer may receive and answer telephone calls placed by dialing number 911. E911 includes the service provided by the lines and equipment associated with the service arrangement for the answering, transferring, and dispatching of public emergency telephone calls dialed to 911.
- B. E911 Customer - a municipality or other state or local governmental unit, or an authorized agent of one or more municipalities or other state or local government units to whom authority has been lawfully delegated to respond to public emergency telephone calls, at the minimum, for emergency police and fire service through the use of one telephone number, 911.
- C. E911 Control Office - E911 Tandem Switching Office.
- D. Public safety answering point (PSAP) - an answering location for 911 calls originating in a given area. The E911 customer may designate a PSAP as primary or secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; secondary PSAPs receive calls on a transfer basis only. PSAPs are public safety agencies such as police, fire, emergency medical, etc., or a common bureau serving a group of such entities.
- E. Centralized Automatic Message Accounting (CAMA) trunk - a trunk capable of transmitting Automatic Number Identification (ANI) associated with E911 customer calls from switch to the E911 Network.
- F. Automatic number identification (ANI) - feature that automatically forwards the telephone number of the calling party to the E911 Control (E911 Tandem Switching) Office from which it is switched to the public safety answering point (PSAP) and is displayed at an attendant position console.

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- G. Automatic location identification (ALI) - feature that forwards the name, street address, class of service, and other pre-determined information associated with the calling party's telephone number (identified by ANI) to the PSAP for display.
- H. Selective routing (SR) - feature that provides the capability to selectively route a 911 call to the designated primary PSAP based upon the identified number of the calling party.
- I. Database Management System (DBMS) - A system of manual procedures and computer programs used to create, store and update the data required for the SR and ALI service features of E911 service.

II. RESPONSIBILITIES

- A. SWBT shall provide and maintain such equipment at the E911 Control Office and the DBMS as is necessary to perform the E911 services set forth herein. This shall include all of the following:
 - 1. Transporting the E911 calls from the meet-point with MFS facilities connecting MFS's exchanges listed in Exhibit I (attached hereto and made a part hereof) to the Control Offices of the E911 System.
 - 2. Switching the E911 calls through the Control Office(s) to the designated primary PSAP or to designated alternate locations, according to routing criteria specified by the E911 Customer.
 - 3. Storing the names, addresses, and associated telephone numbers from MFS's exchanges in the electronic data processing database for the E911 DBMS. MFS is responsible for downloading and updating this information.
 - 4. Transmission of ANI and ALI information associated with MFS's end users accessing E911 service to the PSAP for display at an attendant position console.
- B. SWBT shall provide and maintain sufficient dedicated E911 circuits, according to provisions of the E911 tariff and specifications of the E911 Customer.
- C. SWBT shall provide MFS with a description of the geographic area and PSAPs served by the E911 Control Office(s) according to industry standards for E911 information sharing.

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- D. SWBT shall provide MFS with a file containing the Master Street Address Guide (MSAG) for the exchanges or communities specified in Exhibit I, in accordance with the methods and procedures described in Exhibit IV. SWBT shall also provide MFS additional files with the entire MSAG, including subsequent additions or updates to the MSAG in accordance with the intervals specified in Exhibit I. In addition, SWBT shall provide MFS with a statistical report in a timely fashion and in accordance with the methods and procedures described in Exhibit IV, for each file downloaded by MFS to SWBT's DBMS, so that MFS may ensure the accuracy of the end user records.
- E. MFS shall connect its switches to the E911 Control Office by one-way outgoing CAMA trunks dedicated for originating 911 emergency service calls, according to specifications in the document, "TEXAS E911 NETWORK INTERFACE," attached hereto as Exhibit III.
- F. At a reasonable time prior to establishment of E911 Service, MFS shall download and maintain thereafter all information required to establish records necessary for furnishing connection to E911 Service and shall promptly notify SWBT in writing of any changes to be made in such records. MFS shall adopt and comply with operating methods applicable to downloading and maintaining MFS's end user records in SWBT's DBMS, as set forth in Exhibit IV, attached hereto and incorporated herein.
- G. MFS acknowledges that its end users in a single local calling scope may be served by different PSAPs, and MFS shall be responsible for providing facilities to route calls from its end users to the proper E911 Control Office(s).
- H. When SWBT provides INP to MFS, MFS will provide the ported and translated numbers to SWBT for inclusion in the DBMS and SWBT will make this information available to PSAPs in accordance with NENA standards upon their adoption.

III. METHODS AND PRACTICES

With respect to all matters covered by this Appendix, each Party will adopt and comply with standard industry operating methods and practices and will observe the terms and conditions of SWBT's tariff, rules and regulations of the FCC, the Texas Public Utility Commission, and the Texas Advisory Commission on State Emergency Communications, that apply to the provision of E911 Service.

IV. CONTINGENCY

- A. The parties agree that the E911 service is provided for the use of the E911 Customer, and recognize the authority of the E911 Customer to establish service

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specifications and grant final approval (or denial) of service configurations offered by SWBT and MFS. The terms and conditions of this Appendix represent a negotiated plan for providing E911 service, for which MFS must obtain documentation of approval from the appropriate E911 Customer(s) which have jurisdiction in the areas(s) in which MFS' customers are located. MFS shall provide such documentation to SWBT prior to use of MFS' E911 connection for actual emergency calls. Such documentation shall be attached hereto as Exhibit V.

- B. Both Parties agree to designate a representative who shall have the authority to execute additional exhibits to this Appendix when necessary to accommodate expansion of the geographic area of MFS into the jurisdiction of additional PSAPs or to increase the number of CAMA trunks. The designated representative for SWBT is Director-Planning and Engineering and for MFS is E911 Manager.
- C. The terms and conditions of this Appendix are subject to renegotiation in the event that the E911 Customer orders changes to the E911 service that necessitate revision of this Appendix.

V. BASIS OF COMPENSATION

- A. Compensation to SWBT for provision of connection to E911 Service provided hereunder shall be based upon the charges set forth in Exhibit II, BASIS OF COMPENSATION, and applied as specified in Exhibit I, EXCHANGES AND CONFIGURATIONS.
- B. For computation in Exhibit II, during the initial year that SWBT provides MFS connection to E911 service, the number of access lines in each involved exchange of MFS as shown in Exhibit I shall be counted as of the first day of January, and the number so obtained shall be used in computing compensation under this Appendix until the end of the 1st Quarter of the current year. A new count of access lines, as of the first day of April (2Q), July (3Q) and October (4Q), will be used in the computation of compensation under this Appendix for that Quarter. At the end of the first full year, a new count of access lines will be taken and it shall be used for the second full year. For each succeeding year, a new count of access lines, as of the first day of January, shall be used in the computation of compensation under this Appendix for that year. Each count of access lines will be rounded to the nearest thousand for compensation purposes.
- C. Charges shall begin on the date connection to E911 Service commences.
- D. SWBT ensures that the charges set forth in Exhibit II are nondiscriminatory and no less favorable than those charges to other local exchange companies operating in the same exchanges as MFS.

- 5 -

VI. MONTHLY BILLING

SWBT will render to MFS monthly statements in advance, showing the amounts determined as provided in Section V above, and MFS will make payment in full within thirty (30) days from the date of the bill.

EXHIBIT I to APPENDIX 9-1-1

| LSP SERVING AREA DESCRIPTION AND E9-1-1 INTERCONNECTION DETAILS | | | | |
|---|---|-------------------------------------|--|--|
| LSP NAME & CONTACTS | LSP "OCN" | LSP Switch Name & # adr. | Switch Type | LSP NPA/NXX(s) included |
| MFS Communications Inc | 7239 | Dallas AXE-10 | AXE-10 | 214/210, 214/560 |
| Caroleann Hardenstein | | 1950 Stemmons Frwy | CLLI Code | # 9-1-1 Trunks Requested |
| E9-1-1 Manager | LSP Telco ID | Suite 4021 | DLLSTX97DS0 | 4 |
| 201-524-9574 | | Dallas, Texas 75207 | "Connect Signal" Digits ⁽¹⁾ | "Default" PSAP |
| Caroleann Hardenstein | | | 1 - 1 | Dallas P.D. |
| Database Administrator | | Estimated # of EAAs | ETST Code | Live Cut Date |
| 201-524-9574 | | | | 7/25/96 |
| Byron Gunnell | LSP Service Area Definition: | | | |
| Switch Site Contact | City of Dallas within the Dallas metro exchange | | | |
| 214-939-8800 | | | | |
| SWBT E9-1-1 SYSTEM CONFIGURATION ASSOCIATED WITH DESIGNATED E9-1-1 CONTROL OFFICE | | | | |
| E9-1-1 CONTROL OFFICE: "Riverside" | PSAPs INCLUDED IN | | COMMUNITY | E9-1-1 CUSTOMER and |
| CLLI Code: DLLSTXRICG2 | 9-1-1 SERVICE PLAN | | for MSAG PULL ⁽²⁾ | AGENCY TYPE ^(see legend below) |
| E9-1-1 Features Required: ANI/ALI/SR | Dallas P.D. | | City of Dallas | City of Dallas HRC |
| # of 9-1-1 Trunks from LSP: 4 | | | | |
| MSAG Update Interval: Monthly | | | | |
| FOOTNOTES: (1) n/a | | | | |
| (2) n/a | | | | |
| (3) MSAG will only include addresses within SWBT exchanges, unless specifically stated otherwise. | | | | |
| (4) Refer to network interface specifications in Exhibit III. | | | | |
| TYPE of AGENCY* LEGEND: | | | | |
| HRC = Home Rule City | | | | |
| ECD = Emergency Communications District | | | | |
| COG = Council of Governments or Regional Planning Commission | | | | |
| GLC = General Law City | | | | |
| Cnty = County with special provisions (only applies to Dallas County) | | | | |
| | | | | date prepared: 06-27-96 |

APPENDIX 911

EXHIBIT II

BASIS OF COMPENSATION

The following compensation amounts shall be due SWBT for the provision of services under the above-mentioned Appendix for the MFS exchanges and the feature configurations shown in Exhibit I.

For MFS serving offices connected to SWBT control offices (tandem) and routed to SWBT or nonSWBT PSAP.

| <u>E911 Feature Configuration</u> | | <u>Monthly Charge Per 1,000 Lines</u> | <u>Nonrecurring Charge Per 1,000 Access Lines</u> |
|--|---------------------|---------------------------------------|---|
| Automatic Number Identification (ANI) | To SWBT PSAP | \$ 11.24 | \$ 81.20 |
| | To NonSWBT PSAP | \$ 6.89 | \$ 81.20 |
| Combined Automatic Number Identification & Selective Routing (ANI/SR) | To SWBT PSAP | \$ 88.90 | \$ 428.01 |
| | To NonSWBT PSAP | \$ 84.33 | \$ 428.01 |
| Combined Automatic Number & Automatic Local Identification (ANI/ALI) | To SWBT PSAP | \$ 89.48 | \$299.68 |
| | To NonSWBT PSAP | \$ 79.00 | \$297.74 |
| Combined Automatic Number, Automatic Local Identification & Selective Routing (ANI/ALI/SR) | To SWBT PSAP | \$ 107.82 | \$ 502.10 |
| | To NonSWBT PSAP | \$ 97.34 | \$ 500.16 |
| <u>Trunk Charge</u> | <u>Monthly Rate</u> | <u>Nonrecurring Charge</u> | |
| Interexchange Channel, each | \$ 39.00 | \$ 165.00 | |

EXHIBIT III

**E911 NETWORK INTERFACE
E9-1-1
NETWORK INTERFACE**

**LOCAL SERVICE PROVIDER
TO SOUTHWESTERN BELL
PROVIDED E9-1-1 NETWORKS**

BACKGROUND:

The following document was prepared by the Technical Staff of the 9-1-1 Product Team to develop a means to convey the network requirements necessary to integrate Local Service Providers (LSPs) Wireline Networks into Southwestern Bell Telephone Company (SWBT) furnished Enhanced 9-1-1 Systems.

Enhanced 9-1-1 Service has furnished tools for the public safety communities to more accurately determine the location of a caller requesting emergency assistance. The entire process begins with the successful identification of the unique number assigned to the telephone set making the call and delivering this number to a dedicated E9-1-1 Network (Automatic Number Identification - ANI).

SWBT utilizes a tandem architecture for E9-1-1 Networks. This means that each central office switch connects (via trunk groups dedicated only to 9-1-1) to another switch equipped with special software which enables it to route calls to a Public Safety Answering Point (PSAP). This 9-1-1 tandem switch contains tables of telephone numbers to PSAP routing translations. Each 9-1-1 tandem links all of SWBT's central office switches and PSAPs within a specific geographic 9-1-1 service area.

Routing translations are updated via a Database Management Systems (DBMS) operated by SWBT. This computer system is able to assign a PSAP to each telephone number by a cross reference to its service address. The service address is obtained from customer records loaded into the system by each Local Service Provider. A Master Street Address Guide (MSAG) (developed by the 9-1-1 Service Customer) lists the street names and address ranges served by each PSAP. LSP customer records containing the service address, are processed against this MSAG (via the service address) to obtain a PSAP assignment for each customer telephone number.

The DBMS also provides input in the Automatic Location Identification (ALI) System. This data network provides the customer name, service address, and serving public safety agencies (police, fire and ambulance) associated with the calling party's telephone number (identified by ANI). This information can be displayed on an ALI screen (crt) at each PSAP that subscribes to the service.

Each LSP switch will be treated as a central office in the 9-1-1 network. A minimum of two trunks from each switch are to be connected to the tandem switch (not the access tandem but the 9-1-1 tandem). They will be loop, reverse battery trunks. They will adhere to the protocols delineated in this document. Note that there is no area code (or NPA) information contained in the ANI data being sent to a 9-1-1 tandem. If a central office switch serves more than one area code (NPA) (say 214 and 817) and this central office homes on one 9-1-1 tandem which serves the same two area codes, two trunk groups will have to be established to the 9-1-1 tandem from the central office. One trunk group will carry only traffic from the 214 area code and the other only traffic from the 817 area code. Records of the service address of telephone number provided by the LSP will be maintained by the LSP. Methods for including records in the ALI System are beyond the scope of this document and should be obtained from the Competitive Provider Account Team.

AUTOMATIC NUMBER IDENTIFICATION

INTRODUCTION

This document describes the technical requirements for interfacing a Local Service Provider (LSP) voice circuit with Enhanced 9-1-1 (E9-1-1) Communication Networks. It primarily characterizes prerequisite Automatic Number Identification (ANI) specifications necessary to successfully deliver 9-1-1 calls to the proper public safety agencies and initiate Selective Routing (SR) and Automatic Location Identification (ALI) features of these networks.

In order to provide E9-1-1 service, an LSP switch must be able to send the telephone number of the caller who originates a 9-1-1 service call according to specifications outlined herein. The ability of equipment to automatically identify this number and forward it with the call is termed Automatic Number Identification (ANI). The caller's telephone number must be sent in an ANI format corresponding to Centralized Automatic Message Accounting (CAMA) standards. These standards will be discussed in detail later in this document. A trunk circuit capable of performing these functions is called a CAMA type trunk.

An LSP switch is connected to the E9-1-1 Telephone Network by one-way outgoing CAMA type trunks. The switch must be arranged so that these trunks are to be dedicated for the origination of 9-1-1 emergency service calls only. They may connect to a switch which will route the 9-1-1 call to the proper Public Safety Answering Point (PSAP), which is called tandem trunking, or they may connect directly to a PSAP, which is considered direct trunking. The method of interconnection will be specified in a service plan developed and maintained by the 9-1-1 Service Customer. The 9-1-1 Service Customer may be a municipality, a council of governments, a communication district, or other state or local governmental unit, or an authorized agent of one or more municipalities or other state or local governmental units to whom authority has been lawfully delegated.

Automatic Number Identification (ANI) is the basis of E9-1-1 Services. It allows calls to be selective routed to the proper answering points, triggers the ALI data retrieval process, and enhances the speed and ability of call takers to properly handle emergency service requests.

LSP SWITCH INTERFACE TO E9-1-1 SYSTEM

Automatic Number Identification (ANI)

ANI, in this case, refers to the ability of a Local Service Provider Switch to pass telephone identification to the public switched network. The calling party's telephone number would be passed via multifrequency tones (MF) along the voice path of the LSP switch outgoing CAMA trunk to another switch or to customer premises equipment such as ANI controllers used in 9-1-1 PSAPs. Along with the calling party's telephone number, the LSP switch must send an ANI information digit(s). Traditional signalling requires one (1) digit, while expanded signalling requires two (2) digits. Existing e9-1-1 Networks are utilizing traditional signalling, a single digit, at this time. The information digit will be a zero (0) or a two (2) from the LSP switch. Zero (0) indicates a successful automatic identification and the calling party's seven (7) digit telephone number will follow. A two (2) indicates an ANI failure at the LSP switch. The format of the ANI signal is:

KP-I-NIX-XXXX-ST

| | | |
|--------|------|---|
| Where: | KP | indicates a KP (key pulse) signal |
| | 1 | information digit |
| | NXX | the prefix of the telephone number (exchange) |
| | XXXX | the caller's station number |
| | ST | indicates a ST (Start Pulse) |

(the hyphens are inserted for clarity only and are not sent)

All of this information is sent via Multifrequency (MF) Pulsing. MF Pulsing is a method of communicating call set-up information over telephone trunks by various combinations of two out of six frequencies in the voice band. Each combination of two frequencies sent as a pulse of tone is intended to represent a digit or a control signal such as the K or ST. The signals are transmitted over the regular talking (voice) path of each trunk circuit. MF receivers detect the pulses and transfer the digit information to switching control equipment and/or data collection systems. MF signals are not the same as DTMF signals. They are combinations of different frequency tones. The six MF frequencies are 700, 900, 1100, 1300, 1500, and 1700 Hz. The next page shows the frequency combinations and what digits or control codes they represent.

MULTIFREQUENCY CODES

| FREQUENCIES MHz | SIGN ALL | EXPANDED SYMBOLS | CCITT SYSTEMS | SPS - COLLAL ACCESS |
|--------------------|-------------|----------------------------------|------------------|------------------------|
| 700 - 900 | 1 | | | |
| 700 - 1100 | 2 | Can Collect | | |
| 700 - 1300 | 4 | | | |
| 700 - 1500 | 7 | | | |
| 700 - 1700 | | Repeater | Code 11 | SDP (SD) |
| 900 - 1100 | 3 | | | |
| 900 - 1300 | 5 | | | |
| 900 - 1500 | 8 | Operator Released | | |
| 900 - 1700 | | | Code 12 | SDP (SD) |
| 1100 - 1300 | 6 | | | |
| 1100 - 1500 | 9 | | | |
| 1100 - 1700 | XP | Can Return | XP1 | |
| 1200 - 1500 | 0 | Operator Attended | | |
| 1300 - 1700 | | | XP2 | SDP (SD) |
| 1500 - 1700 | SD | Can Collect Operator Released | | SD |

MF tone transmitters used in E9-1-1 Networks are arranged for a pulse duration or interdigital periods of 60 ± 0.5 milliseconds (ms) each (a rate of approximately 8.3 digits per second). The MF pulsing rates may be 58 to 75 ms for the ST (start pulse), signal digit pulses, and interdigital intervals. The KP (key pulse) control signal duration is 9 to 120 ms. It is considered good practice for this signal to be sent near 120 ms to provide a margin against transmission impairments such as delay distortion.

MF tone transmitters should be arranged so that under normal conditions, the two tones are applied to the trunk simultaneously and neither tone is transmitted if either tone source should fail. The start and end of the two tones must be within 1 ms. of each other.

SIGNALING PROTOCOL

CALLS ROUTED VIA 9-1-1 SWITCH

Circuits from an LSP switch that connects to the E9-1-1 Network via a switch utilize controlled outpulsing protocol. With controlled outpulsing, the originating LSP switch seizes the 9-1-1 trunk and sends a connect signal to the 9-1-1 switch. These circuits will normally signal on-hook toward each end when in the idle state. On receipt of a connect signal, the 9-1-1 switch will initiate a request for a register to collect the called digits (9-1-1, or 1-1 in this case) and does not immediately return an off-hook signal to the LSP. An idle condition on-hook signal to the LSP is maintained until the register is attached at the 9-1-1 switch, when a wink-start signal is sent by the 9-1-1 switch. The wink-start signal is an off-hook signal that must meet the following requirements:

- (a) The off-hook must be a minimum of 140 ms and a maximum of 290 ms in duration.
- (b) The off-hook to on-hook transition must not occur until 210 ms after the connect signal is received.

The normal wink-start signal is about 150 ms from a 9-1-1 switch. It is desirable to minimize post-dialing delay by sending the on-hook transition as soon as possible after the above requirements are met.

The LSP switch will be expected to send the digits 9-1-1 or 1-1 to the 9-1-1 switch as a called number when an emergency service call is initiated. The called number will be sent (using MF pulsing) in the following format:

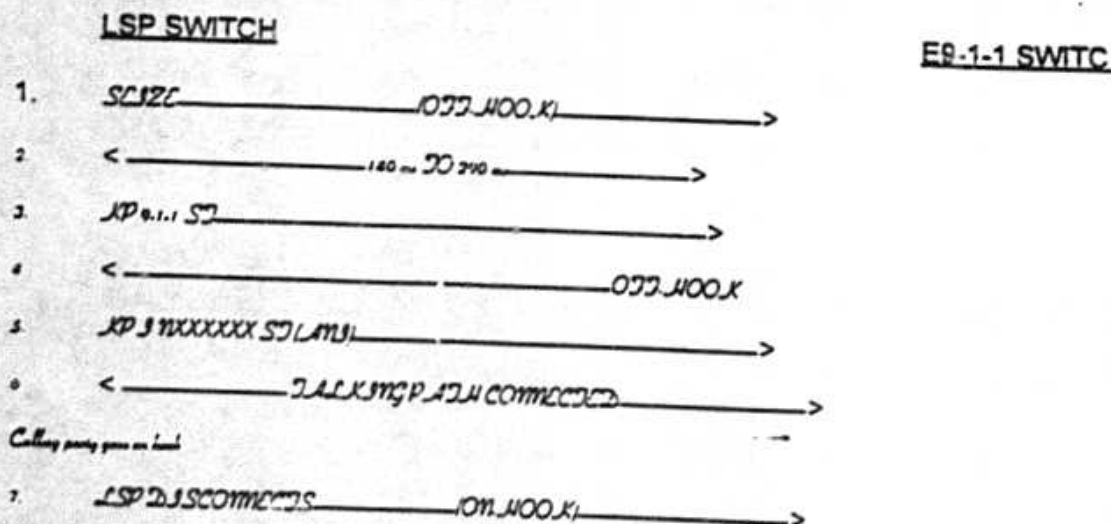
KP-9-1-1-ST
 or
 KP-11-ST

(the hyphen is shown for clarity only, it is not sent)

The 9-1-1 switch will then return a steady off-hook which tells the LSP switch to forward the ANI information in the format previously discussed. The ANI request signal (off-hook) is also used as a supervisory signal which persists until after the calling party disconnects or until 11 to 13 seconds after the called party disconnect is received by the 9-1-1 switch. There is no requirement for a delay between the receipt of the off-hook start dial by the LSP switch and its sending of the KP pulse of the ANI information. However, it is good practice to have a minimum delay of 50 ms between these two signals to permit the transients associated with the off-hook start-dial signal to dissipate before the first MF pulse is sent.

SIGNALING SEQUENCE

After an LSP subscriber dials 9-1-1:



< When the 9-1-1 switch disconnects first, the LSP switch sends an on-hook signal to the 9-1-1 switch and may release the trunk after an on-hook is received from the 9-1-1 switch. When the 9-1-1 switch receives the on-hook, the 9-1-1 connection is released and an on-hook is sent to the LSP switch.

When the calling party disconnects first, the LSP switch sends an on-hook signal to the 9-1-1 switch and may release the trunk after an on-hook is received from the 9-1-1 switch. When the 9-1-1 switch receives the on-hook, the 9-1-1 connection is released and an on-hook is sent to the LSP switch.

If the PSAP call taker disconnects first, the PSAP equipment sends an on-hook to the 9-1-1 switch. The switch begins a 1.2 second flash timing, which completes in this case. The 9-1-1 switch sends an on-hook to the LSP switch and begins a 4 to 5 second timer for an on-hook from the LSP switch. When the on-hook is received or the time-out occurs, the 9-1-1 switch disconnects the call connections, sends on-hook to the PSAP and idles the 9-1-1 circuit to the LSP switch.

APPENDIX 911

**EXHIBIT IV
OPERATING METHODS FOR
DOWNLOADING AND MAINTAINING
MFS'S END USER RECORDS IN SWBT'S DBMS**

ISSUE - FEBRUARY 20, 1996

UNIVERSAL EMERGENCY NUMBER SERVICE

LOCAL SERVICE PROVIDER

OVERVIEW

This document provides Methods & Procedures for an LSP use to create and maintain a 9-1-1 database that will be housed in Southwestern Bell Telephone Company's (SWB) Fault Resilient Data Base Management System (FR/DBMS). This database will be necessary to provide the Automatic Location Information (ALI) and/or Selective Routing (SR) in a given area.

TYPE OF DATA

Below is a list of the required data for each customer record. The file format required is outlined later in this document.

NPA

NNX

TN

CUSTOMER CODE

(A UNIQUE CODE TO IDENTIFY THE DATABASE THIS TN DISTRIBUTED TO - SWB WILL PROVIDE ONCE AN LSP IS CONFIGURED IN FR/DBMS)

HOUSE NUMBER

PREFIX DIRECTIONAL

STREET NAME

(THIS INCLUDES THE STREET DESIGNATION AND POST DIRECTIONAL IF ONE EXISTS)

COMMUNITY

STATE

CUSTOMER NAME

CLASS OF SERVICE

TYPE OF SERVICE

EXCHANGE

(A LIST OF CODES IS PROVIDED IN THIS DOCUMENT)

(A LIST OF CODES IS PROVIDED IN THIS DOCUMENT)

(THE EXCHANGE OF THE TELCO AS SHOWN IN THE MASTER STREET ADDRESS GUIDE (MSAG))

MAIN NPA

MAIN NNX

MAIN TN

LOCATION

TELCO FIELD

(THIS FIELD IS FOR APT #'S, BLDG #'S, ETC)

(THIS IS NOT DISPLAYED AT THIS TIME- COULD BE USED FOR PORTED NUMBER)

ORDER NUMBER (OPTIONAL)

CUSTOMER COORDINATION

A coordination meeting must be held with the 9-1-1 Entity and appropriate incumbent Local Exchange Carriers (ILEC) to review the & the COA/Switch SPCOA will be serving and to discuss the level of 9-1-1 service that must be met. SWB will request authorization from the 9-1-1 Entity to allow a copy of the MSAG to be provided to the COA/Switch SPCOA for their service area.

In this meeting the following information will be obtained in order to configure the COA/Switch SPCOA in the SWB FR/DBMS. Once the Company has been configured in the system, a login and temporary password will be assigned.

c Name of COA/Switch SPCOA

o Address of COA/Switch SPCOA

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- c Telephone Number of COA/Switch SPCOA
- c Contact Name
- c Area Code, NXX, and Line Numbers and SR Tandem
- c Completed LOGIN Request form signed by the COA/Switch SPCOA

When the login is provided SWB will also provide the necessary dial telephone number and the Packet Address to use for access to the FR/DBMS.

PROCESS PROCEDURES

MASTER STREET ADDRESS GUIDE PROCESSING:

With authorization from the 9-1-1 Entity a copy of the MSAG will be provided to the COA/Switch SPCOA. A .msag file will be created and put in the home directory of the COA/Switch SPCOA who could then pull the file back to a PC for easier storage and review. An updated copy can be provided at regular intervals (ex.- weekly) to ensure the COA/Switch SPCOA has the most up to date information. There are any questions about the contents of the MSAG it will be the COA/Switch SPCOA responsibility to coordinate with the 9-1-1 Entity. The layout of the .msag file is as follows:

FR/DBMS .msag FILE OUTPUT FORMAT

| <u>COLUMN</u> | <u>LENGTH</u> | <u>DATA/TYPE</u> | <u>NAME OF FIELD</u> |
|---------------|---------------|------------------|----------------------------|
| 1 | 2 | AN | Prefix Directional |
| 2 | 48 | AN | Street Name |
| 3 | 8 | AN | Low House Number |
| 4 | 11 | AN | High House Number |
| 5 | 11 | A.. | Community Name |
| 6 | 1 | A.. | Odd/Even Indicator |
| 7 | 4 | AN | Emergency Svc. Number |
| 8 | 2 | AN | Exchange |
| 9 | 2 | N | Month (this date indicates |
| 10 | 2 | N | Day the date of the 1 |
| 11 | 2 | N | Year change) |
| 12 | New Line | | |
| 13 | | | Indicates end of record |

The 9-1-1 customer will notify SWB Co. of any additions, changes, or deletes to their Master Street Address Guide (MSAG) using the procedures that are already in place today.

TELEPHONE NUMBER PROCESSING

The FR/DBMS processes telephone number records by matching the address on the TN record with the MSAG. If a match is found the 1 is assigned to the TN record and it is presented to the TN database. Today, the MSAG's are built and associated with the Exchange of the current local Exchange Carrier. The TN records submitted by a COA/Switch SPCOA will need to carry the Exchange code shown in the MSAG for proper processing in the FR/DBMS.

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To avoid a conflict with another ILEC's TN records, SWB will use the program in place for Private Switch 9-1-1 that allows validation to be done in the TN database. This interface validates the NPA, NXX, and line numbers to be sure they are valid for the COA/Switch SPCOA. When the COA/Switch SPCOA is configured in the FR/DBMS a table is maintained indicating the NPA, NXX, and line numbers that they are assigned. This information is determined at the Coordination Meeting held between the 9-1-1 Entity, the ILEC, and COA/Switch SPCOA's. If new NPA, NXX's are opened by a COA/Switch SPCOA it will be necessary for them to notify the SWB Marketing person so this information can be updated prior to send any TN records for processing in the FR/DBMS.

Telephone Number Record Load

FLAT FILE TRANSFER METHOD:

The file will be in National Emergency Number Association (NENA) Recommended Format for Data Exchange, Version 1 (see Attachment A) using a header and trailer record. The header and trailer record will be in the NENA Recommended Format for Data Exchange, Version 1 (see Attachment B & C).

SWB will store specific fields of data that resides in the NENA Format. The Record Layout on the following page outlines the data fields that will reside in the SWB FR/DBMS. It also indicates which fields are mandatory for an ALL record.

SWB RECORD LAYOUT OF STORED DATA

| NAME OF FIELD | LENGTH | REQUIRED | NOTES |
|---------------------|--------|----------|--|
| NPA | 3 | * | |
| NXX | 3 | * | |
| LN | 4 | * | |
| CUSTOMER CODE | 4 | * | |
| HOUSE NUMBER | 10 | * | (This code is assigned by |
| HOUSE NUMBER SUFFIX | 4 | * | |
| SUFFIX DIRECTIONAL | 4 | * | |
| STREET NAME | 44 | * | |
| POST DIRECTIONAL | 4 | * | |
| COMMUNITY | 20 | * | |
| COUNTY | 2 | * | |
| STATE | 2 | N/A | MSAG WILL ASSIGN |
| CUSTOMER NAME | 20 | * | |
| CLASS OF SERVICE | 1 | * | |
| TYPE OF SERVICE | 1 | * | |
| EXCHANGE | 4 | * | |
| EX | 4 | * | |
| MAIN NPA | 3 | N/A | USE EXC FROM MSAG |
| MAIN NXX | 3 | * | MSAG WILL ASSIGN |
| MAIN LN | 4 | * | IF APPLICABLE |
| LOCATION | 4 | * | IF APPLICABLE |
| TELEC | 20 | * | IF APPLICABLE |
| | 20 | ** | Ex. BLDG 1 Apt 23 |
| ORDER NUMBER | 10 | ** | MAY BE USED FOR PORTED NUMBER IN FUTURE OPTIONAL |

* = REQUIRED DATA ** = OPTIONAL DATA N/A = THESE FIELDS DO NOT APP

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UNIVERSAL EMERGENCY NUMBER SERVICE

GENERAL INFORMATION

The COA/SWITCH SPCOA will connect to the Fault Resilient Database Management System (FR/DBMS) using a Communication Package such as PROCOM PLUS and KERMIT protocol for transferring the data.

COMMAND DESCRIPTION

The KERMIT command allows you to control KERMIT file transfers. The commands are to be executed from your local machine by doing your escape function.

| | |
|-----------|--------------------------------|
| gk | - Get files from KERMIT server |
| xk | - Send files to KERMIT server |
| ke finish | - Finish KERMIT server session |

You may see a message saying "you have mail", please disregard. Some other messages you may disregard are:

WARNING: Number of records processed not equal to count on file trailer.

WARNING: commands will be executed using /bin/sh

Input file specified as /home/xx1234/xx_SRC.run.
with xx1234 being your login and xx_src is a service order processor.

COMMUNICATIONS PARAMETERS

Speed 2400 cr 9.6
Data 8
Port X

Parity None
Stop 1

Duplex Full
Emulate VT-100
Mode Call

LOGIN

A telephone number for accessing the SWBT FR/DBMS is being established. SWBT will provide you with this number at the time you are given the Packet Address, Packet Password, LOGIN and temporary password for the FR/DBMS.

The FR/DBMS is a UNIX (R) system and therefore uses lower case.

When you first connect you may see some garbage, it is just the modem auto-rauding.

The following page outlines the procedures for logging in to the FR/DBMS.

UNIVERSAL EMERGENCY NUMBER SERVICE

PROCEDURES FOR LOGIN:

DIAL NUMBER PROVIDED BY SWB - Once connection is made you should see PROCOM PLUS on-line to packet at 9600

(YOU MAY SEE GARBAGE) TYPE ... <CR> for 7 bits even parity
one stop bit/full duplex
TYPE 0 for 8 bits no parity one :
bit/full duplex

Welcome to MicroLink II
-02666:01-037-
pad ready

* ENTER THE PACKET ADDRESS and PASSWORD
(provided by SWB)

Example of address - "XXXXXXXXXXXX:NNNNNN-XXXXXXXXXXXX <CR> (Only
n-XXXXXXXXXXXX will echo back)

x.29 Terminal Service

Login: XXXXX ENTER YOUR LOGIN <CR> (provided by SWB)

PASSWORD: XXXXXXXX ENTER PASSWORD (MUST CONTAIN
ALPHA AND AT LEAST ONE NUMERIC; MINIMUM
OF 6 CHARACTERS MAXIMUM OF 10)

* Initial password will be provided by SWB, it will
expire on the initial login

UNIX System V Release 3.2.0 1386
disdbms

Copyright (c) 1984 AT&T
All Rights Reserved

Last login successfully completed at Wed Nov 10 19:26:24 1993

SYNIX/PIX(R) V2.0.4 #7 () Wed Oct 27 17:25:25 CDT 1993
Copyright 1988 Sequent Computer Systems, Inc.

.....
* This is a Southwestern Bell Telephone Company *
* system restricted to company official business *
* and subject to being monitored at any time. *
.....

SPECIAL CPNI WARNING!!!!

This system accesses Customer Proprietary
Network Information (CPNI), including CPNI restricted by
customer request, and prohibited from access,
viewing or use by certain Sales Personnel.

SALES PERSONNEL SHOULD PROCEED BEYOND THIS POINT ONLY IN
ACCORDANCE WITH CPNI COMPLIANCE REQUIREMENTS.

ENTER TERMINAL TYPE (unknown)? (you must enter vt100)
C-Kermit server starting. Return to your local machine by typi.
its escape sequence for closing the connection,, and issue furt.
commands from there. To shut down the C-Kermit server, issue t:
FINISH or BYE command and the reconnect.

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FILE NAMES AND FORMAT

Initial input files: xxxxx###7.dat
 Copy of input file: xxxxx###7.done (created after the .dat file processed, contains same data)
 Error files: xxxxx###7.err
 Statistics files: xxxxx###7.sta

Where xxxxx = a UNIX ID assigned by the FR/DBMS
 ### = a three digit Julian date
 ? = a one digit sequence number starting at 0

NOTE: A COMPARE file can be created from the FR/DBMS and put in your home directory. This can be used to compare the data in the FR/DBMS against your billing system. This file is pulled upon request, no later than once a quarter. Compare file: xxxxx###7.CMP

The following is the layout of these files:

FR/DBMS .dat FILE OUTPUT FORMAT

| COLUMN | LENGTH | DATA/TYPE | NAME OF FIELD |
|--------|--------|-----------|--|
| 1 | 1 | A | Function of change A=ALPHA |
| 2 | 1 | N | NPA N=NUMERIC |
| 3 | 1 | N | Calling Number AN=ALPHA/NUMERIC |
| 4 | 10 | N | House Number B=BLANK |
| 5 | 4 | AN | House Number Suffix |
| 6 | 2 | A | Prefix Directional |
| 7 | 40 | A | Street Name (INCLUDE STREET SUFFIX) |
| 8 | 4 | A | Street Suffix (DO NOT USE) |
| 9 | 2 | A | Post Directional (DO NOT USE) |
| 10 | 32 | A | Community |
| 11 | 2 | A | State |
| 12 | 20 | AN | Location Information |
| 13 | 33 | AN | Customer Name |
| 14 | 1 | N | Class of Service |
| 15 | 1 | N | Type of Service |
| 16 | 4 | AN | Exchange |
| 17 | 3 | N | ESN |
| 18 | 3 | N | Main NPA |
| 19 | 3 | N | Main MNX |
| 20 | 4 | N | Main TN |
| 21 | 10 | AN | Order Number |
| 22 | 6 | N | Extract Date |
| 23 | 4 | AN | County Identification Code |
| 24 | 1 | AN | Telephone Company ID |
| 25 | 1 | AN | Source ID |
| 26 | 4 | AN | Zip Code |
| 27 | 1 | AN | Zip Code Extension |
| 28 | 13 | AN | General Use |
| 29 | 1 | A | Telco USE (Insert 4 digit Cus.Code Always an asterisk(*)). |
| 240 | 1 | A | |

Each Record is 240 characters long and in ASCII format.
 All fields are left-justified, with trailing spaces.

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 UNIVERSAL EMERGENCY NUMBER SERVICE

FILE NAMES AND FORMAT - cont'd

| Class of Service | Type of Service |
|--|--|
| 1 = Residence | 0 = Not foreign Exchange (FXS) or Non PUB (NP) |
| 2 = Business | 1 = FXS inside of 911 Area |
| 3 = Residence PBX | 2 = FXS outside of 911 Area |
| 4 = Business PBX | 3 = Non PUB |
| 5 = Centrex | 4 = Non PUB FXS inside 911 Area |
| 6 = Semi Public Coin | 5 = Non PUB FXS outside 911 Area |
| 7 = Coin | |
| 8 = Mobile | |
| 9 = Residence Pots with Off Premises Extension | |
| 0 = Business Pots with Off Premises Extension | |

FR/DBMS TN ERROR FILE OUTPUT FORMAT

| Name of field | Column | Length |
|------------------------|--------|--------|
| Error code | 1 | 3 |
| Error Indicator | 5 | 10 |
| Function of Change | 16 | 1 |
| NPA | 19 | 3 |
| NNX | 24 | 3 |
| TN | 28 | 4 |
| Customer Code | 33 | 3 |
| House Number | 37 | 10 |
| House Number Suffix | 48 | 4 |
| Prefix Directional | 53 | 2 |
| Street Name | 56 | 48 |
| Suffix Directional | 105 | 2 |
| Community | 108 | 32 |
| County Identifier | 141 | 4 |
| State | 146 | 2 |
| Customer Name | 149 | 32 |
| Class of Service | 182 | 1 |
| Type of Service | 184 | 1 |
| Exchange | 186 | 4 |
| ESN | 191 | 6 |
| ESN Origin | 198 | 2 |
| Main NPA | 201 | 1 |
| Main NNX | 204 | 3 |
| Main TN | 209 | 3 |
| Location Information | 213 | 4 |
| Operating Telco Field | 216 | 20 |
| MSAG Comment | 236 | 35 |
| Order Number | 275 | 40 |
| Date/Time | 315 | 10 |
| Supplemental Data Flag | 327 | 19 |
| Location/Comment Flag | 347 | 1 |
| | 349 | 1 |

NOTE: ERROR FILES SHOULD BE CLEARED DAILY BEFORE TRANSMISSION OF A FILE. THESE ERROR FILES WILL BE DELETED AUTOMATICALLY AFTER 3 DAYS.

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FILE NAMES AND FORMAT - cont'd

FR/DBMS .STA FILE OUTPUT FORMAT

Input file specified as /home/XX2001/LD_SRC.FUN.
 Mon Nov 15 15:15:09 1993 318

Warning: Number of records processed not equal to count on file sta

26 records processed, trailer count is missing.

Warning: Unable to move input file to boneyard.

| | | |
|----------------------|----------------|--------------|
| 0 700 errors | 0 712 errors | 0 741 errors |
| 0 701 errors | 0 720 errors | 0 742 errors |
| 0 702 errors | 0 721 errors | 0 743 errors |
| 0 703 errors | 0 723 errors | 0 744 errors |
| 0 704 errors | 0 725 errors | 0 745 errors |
| 0 705 errors | 0 732 errors | 0 746 errors |
| 0 706 errors | 0 737 errors | 0 800 errors |
| 0 707 errors | 0 738 errors | 0 819 errors |
| 0 709 errors | 0 739 errors | 0 825 errors |
| 0 710 errors | 0 740 errors | 0 833 errors |
| 0 711 errors | | |
| 26 Records processed | 0 Total errors | |

FR/DBMS .CMP FILE DATA RECORD LAYOUT

| Name of Field | Field Type | Maximum Length |
|-----------------------|------------|----------------|
| coa/switch spcoa_name | A | 30 |
| coa/switchspcoa_code | N | 4 |
| npa | N | 3 |
| nnx | N | 3 |
| tn | N | 3 |
| customer_name | AN | 4 |
| customer_code | N | 32 |
| house_number | N | 4 |
| house_number_suffix | AN | 10 |
| prefix_directional | A | 4 |
| street_name | A | 2 |
| suffix_directional | J | 48 |
| community | J | 2 |
| county | AN | 32 |
| state | A | 4 |
| class_of_service | N | 2 |
| type_of_service | N | 1 |
| exchange | AN | 1 |
| esn | N | 4 |
| essid | AN | 10 |
| esn_origin | A | 2 |
| main_npa | N | 1 |
| main_nnx | N | 3 |
| main_tn | N | 3 |
| location | AN | 4 |
| | | 20 |

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FILE NAMES AND FORMAT - cont'd

| Name of Field | Field Type | Maximum Length |
|-------------------|-----------------------|---------------------|
| telco | AN | 33 |
| msg_comments | AN | 40 |
| service_order_src | N | 2 |
| modification_date | date (year to second) | 19/YYMM-DD-HH:MM:SS |
| order_number | AN | 10 |
| user_id | N | 10 |
| sd_present | A | 1 |
| loccom | A | 1 |

NOTE: These records are in ASCII format and are variable in length with each record separated by a newline character (\n). Each field is delimited by a pipe symbol (|). Trailing blanks have been removed from all character fields.

The data records are sorted in database_code, npa, nmx, to order.

UNIVERSAL EMERGENCY NUMBER SERVICE

FR/DMS ERROR CODES

- 700 Illegal function of change. The valid functions of change for telephone number records are (I)nsert, (C)hange, and (D)elele. This is considered a data error.
- 701 No MSAG record found. No MSAG record was found for this address. This includes cases where the street name does not exist in the MSAG and where the street exists, but the ranges do not cover the current address. This error code replaces the error codes 701 and 709 from the FDP DMS system.
- 702 Record already exists. An attempt was made to insert a telephone number that already exists.
- 703 Main record not found. An attempt was made to insert or change a subsidiary whose main telephone number does not exist in the database.
- 704 Telephone number record doesn't exist on a delete. An attempt was made to delete a telephone number record which does not exist in the database.
- 705 Record does not exist on a pilot delete. An attempt was made to perform a pilot delete on a main telephone number that does not exist in the database.
- 706 Service order error field is populated. The service order error field is populated with some non-space character(s). The meaning of this error field is implementation specific.
- 707 Subsidiary customer code mismatch. An attempt was made to insert a subsidiary with a different customer code than its main telephone number record.
- 708 Telephone number record has no supporting MSAG record. An MSAG delete was performed that left this telephone number with no underlying MSAG record.
- 709 Customer codes do not match on a change. The customer code on a change to a telephone number record does not match the customer code of the existing record.
- 710 Customer codes do not match on a delete. The customer code on a delete or pilot delete operation does not match the customer code of the record to be deleted.
- 711 Record does not exist for a change. An attempt was made to change a telephone number record which does not exist in the database.

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UNIVERSAL EMERGENCY NUMBER SERVICE

FR/DBMS ERROR CODE - cont'd.

- 720 NPA to NPD translation not found. The NPD translation for the current NPA does not exist in the NPA to NPD translation table.
- 721 Type of service is a foreign exchange. The number belongs to a foreign exchange, i.e. the type of service is a 2 or 5.
- 723 NPANXX to ESSID translation not found. The translation for the given NPANXX was not found in the NPANXX to ESSID translation table.
- 725 Service order error field shows an error - this error code is valid only on the PDP DBMS. This error code should only appear on error records that have
- 732 Multiple MSAG record exchange matches found. An attempt to insert or change a record with no community name was made. While trying to query the MSAG to match based on the address and exchange, multiple records were found.
- 737 Exchange matching failed to find a unique MSAG record. The MSAG was queried using the address and community name with the exchange matching feature turned on. Multiple address and community name matches were found, and the exchange was used to try and find a unique MSAG record. There were no MSAG records found with the same address, community, and exchange.
- 738 Attempted to change a main number to a subsidiary line. The record in error is currently a main number with subsidiaries in the database. The attempted change would make this number into a subsidiary of another line. This would leave the original subsidiaries without a valid main number.
- 739 Street names do not match on a delete. The street name in the delete record does not match the street name in the database. If a delete record has a street name present, it must match the street name of the record in the database. The street name is not a required field on a delete.
- 740 Delete attempted on a number with subsidiaries. A function of change "D" was attempted on phone number which has subsidiaries. All of its subsidiaries must be deleted before attempting to delete the main.
- 741 Main number is already a subsidiary line. An attempt was made to insert a subsidiary whose main number is already a subsidiary to another line. This would leave this number without a valid main number.

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FR/DBMS ERROR CODES - CONT'D.

- 742 Routing table entry not found for a subsidiary. A subsidiary line was inserted with the same address as the main and the main's ESN was assigned from the routing table. While trying to inherit the main's ESN, the routing table entry was not found.
- 743 Function of change (F)inal would result in a pilot delete. A (F)inal transaction was attempted that would result in the delete of an entire pilot-subsidary group. This action must be accomplished with a (P)ilot delete record.
- 744 (P)ilot Delete attempted on a subsidiary line. A (P)ilot delete can not be performed on a subsidiary line. If the intent was to delete the entire pilot-subsidary group, a (P)ilot delete should be performed on the main number. If the intent was to delete the subsidiary line only, a (D)delete should be performed on the subsidiary line.
- 745 Function of change other than (I)nsert attempted during an initial load. During an initial load, no function of change other than (I)nsert is allowed.
- 746 NPANXX to ALL-ID relationship is missing. Every NPANXX must have an entry in the NPANXX to ALL-ID table to specify which ALL system should be updated.
- 748 Telco TN Range Violation: A telco service order record, or a record from the TN or Error screen in the clerk interface, has a telephone number that is in a range assigned to a private switch or COA/Switch SPCOA. This is an illegal operation for the service order processor or any FR/DBMS user except an FR/DBMS Administrator.
- 749 COA/Switch SPCOA/Private Switch TN Range Violation: A service order record from a private switch has a telephone number that does not fall in one of the telephone number ranges granted to that private switch.
- 751 Invalid COA/Switch SPCOA/Private Switch Range: A service order record from a private switch contains a telephone number that is in a range assigned to some other private switch.
- 800 English Language Translation not found. The English language translation for the current ESN/ESSID combination was not found. This is an informational error, therefore the operation was performed despite this error occurring.

UNIVERSAL EMERGENCY NUMBER SERVICE

FR/DBMS ERROR CODES - cont'd.

- 819 Subsidiary line unchanged. A change was made to this subsidiary line's main number. This is an informational error. If the change should not be applied to the subsidiary line, this error record should be deleted.
- 825 Location comment flag set on a change. An attempt was made to change a record which has the location comment flag set. This is an informational error, therefore the record was processed but the location and telco comment fields remained unchanged.
- 833 Location comment flag set on a delete. The location comment flag was set on a deleted record. This is an informational error, therefore the record was deleted despite this error occurring. This may result from a delete or pilot delete. In the case of a deleted subsidiary during a pilot delete, the subsidiary's record will appear in the error table.

UNIVERSAL EMERGENCY NUMBER SERVICE

PROCESS FOR TRANSMITTING AND RETRIEVING DATA

TRANSMITTING FILES:

You will dial into the FR/DBMS using the number provided by SWBT.

PROCOM FLUS on-line to packet at: 9600
xxxxxx (garbage) TYPE ... or 0

Welcome to MicroLink ::
-02666:01-037-
pad ready

* n-XXXXXXXXXX;XXXXXXXX-XXXXXXXXXX (only n-XXXXXXXXXX will echo)

X.29 Terminal Service

Login: XXXXXX

Password: XXXXXXXX

UNIX System V Release 3.2.0 4386
disdbms

Copyright (c) 1984 AT&T

All Rights Reserved

Last login successfully completed at Wed Nov 10 16:21:00 1993

DYNIX/ptx(R) V2.0.4 #7 ():Wed Oct 27 17:25:28 CDT 1993
Copyright 1988 Sequent Computer Systems, Inc.

.....
* This is a Southwestern Bell Telephone Company *
* system restricted to company official business *
* and subject to being monitored at any time. *
.....

SPECIAL CPNI WARNING!!!!

This system accesses Customer Proprietary Network Information
(CPNI), including CPNI restricted by
customer request, and prohibited from access, viewing or use by
certain Sales Personnel.

SALES PERSONNEL SHOULD PROCEED BEYOND THIS POINT ONLY IN ACCORDANCE
CPNI COMPLIANCE REQUIREMENTS.

ENTER TERMINAL TYPE (v110)?

C-Kermit: server starting. Return to your local machine by typing its
escape sequence for closing the connection, and issue further
commands from there. To shut down the C-Kermit server, iss
the FINISH or BYE command and then reconnect.

= N:
xk XXXXXXXX.dat

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UNIVERSAL EMERGENCY NUMBER SERVICE

TRANSMITTING FILES - CONT'D

Transmitting XXXXXXXX.DAT:

| Block # | % complete | Consec. errors | Total errors |
|---------|------------|----------------|--------------|
| 4 | 100% | none | none |

1 file(S) transferred.

At this point your file has been successfully transferred.

RETRIEVING FILES:

Dial into the FR/DBMS using the number provided by SWBT.

PROCOM PLUS on-line to packet at 9600

XXXXXX (garbage) - TYPE ... or 0

Welcome to MicroLink II

-02666:01-037-

pad ready

-----;XXXXXX-XXXXXX (only n-XXXXXX will echo back)

X.25 Terminal Service

Login:XXXXXX

Password: XXXXXXXX

UNIX System V Release 3.2.0 1386

disdms

Copyright (c) 1984 AT&T

All Rights Reserved

Last login successfully completed at Wed Nov 10 19:26:24 1993

UNIX/pax(R) V2.0.4 #7 (): Wed Oct 27 17:25:28 CDT 1993
Copyright 1988 Sequent Computer Systems, Inc.

.....
This is a Southwestern Bell Telephone Company
system restricted to company official business
and subject to being monitored at any time.
.....

SPECIAL CPNI WARNING!!!!

This system accesses Customer Proprietary Network Information (CPNI), including CPNI restricted by customer request, and prohibited from access, viewing or use by certain Sales Personnel.

SALES PERSONNEL SHOULD PROCEED BEYOND THIS POINT ONLY IN ACCORDANCE WITH CPNI COMPLIANCE REQUIREMENTS.

ENTER TERMINAL TYPE (vt100)?

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UNIVERSAL EMERGENCY NUMBER SERVICE

RETRIEVING FILES - cont'd

XXXXXX.done XXXXXX.err XXXXXX.sta XXXXXX.cmf
 --No more--[Hit any key to continue]

C-Kermit server starting. Return to your local machine by typing its escape sequence for closing the connection, and issue further commands from there. To shut down the C-Kermit server, issue the FINISH or BYE command and then reconnect.

N3
 gk XXXXXX.sta

Receiving XXXXXX.STA:

| Block # | % complete | Consec. errors | Total errors |
|---------|------------|----------------|--------------|
| 10 | — | none | none |

1 file(s) transferred.

#-B4
 gk XXXXXX.err

Receiving XXXXXX.ERR:

| Block # | % complete | Consec. errors | Total Errors |
|---------|------------|----------------|--------------|
| 1 | — | none | none |

1 file(s) transferred.

#12.

NOTE: When you login and you only have a .done file this indicates the file could not be processed - Review your file for layout errors correct and resend.

When files have been retrieved issue the finish command from the command line:

ke finish

C-Kermit Server done

network: call cleared by request

please login:

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You will establish your daily routine of sending files and retrieving files. Multiple files can be sent daily and when you log in you will know if you have files to retrieve.

Remember to log off you issue the command to finish Kermit server session.

ke finish This will log you off FR/DEMS.

When you log off the system an automatic mail message will be sent the System Administrator advising him/her that there is a file to process.

NOTE: Files returned to you will remain on the system for 2 weeks.

REMA RECOMMENDED FORMAT
 FOR DATA EXCHANGE
 (VERSION 1)

| FIELD NAME | POSITION | BYTES | TYPE | DESCRIPTION |
|---|----------|-------|------|---|
| FUNCTION CODE | 1 | 1 | A | TYPE OF ACTIVITY THE RECORD IS BEING SUBMITTED FOR. VALID ENTRIES: C CHANGE D DELETE I INSERT |
| NPA | 2-4 | 3 | N | THREE DIGIT AREA CODE OF THE CALLING NUMBER. |
| CALLING NUMBER | 5-11 | 7 | N | SEVEN DIGIT TELEPHONE NUMBER OF THE CALLING NUMBER. |
| HOUSE NUMBER | 12-21 | 10 | AN | HOUSE NUMBER. THE FIELD SHOULD BE SPACE FILLED IF NO HOUSE NUMBER IS AVAILABLE. |
| NOTE: ALTHOUGH THE HOUSE NUMBER FIELD IS TEN CHARACTERS, IT IS UNDERSTOOD THAT TELEPHONE COMPANIES MAY ONLY SUPPORT UP TO 8 CHARACTERS. | | | | |
| HOUSE NUMBER SUFFIX | 22-25 | 4 | AN | HOUSE NUMBER EXTENSION (EG. 1/2). THE FIELD SHOULD BE SPACE FILLED IF NO SUFFIX APPLIES. |
| PREFIX DIRECTIONAL | 26-27 | 2 | A | LEADING STREET DIRECTION PREFIX. THE FIELD SHOULD BE SPACE FILLED IF NO PREFIX APPLIES. VALID ENTRIES: N S E W NE NW SE SW |
| STREET NAME | 28-67 | 40 | AN | VALID SERVICE ADDRESS OF THE CALLING NUMBER. |
| STREET SUFFIX | 68-71 | 4 | A | VALID STREET ABBREVIATION, AS DEFINED BY THE U.S. POSTAL SERVICE PUBLICATION 28. (EG. AVE) |
| POST DIRECTIONAL | 72-73 | 2 | A | TRAILING STREET DIRECTION SUFFIX. THE FIELD SHOULD BE SPACE FILLED IF NO SUFFIX APPLIES. VALID ENTRIES: N S E W NE NW SE SW |
| COMMUNITY NAME | 74-105 | 32 | A | VALID SERVICE COMMUNITY OF THE STREET NAME/HOUSE NUMBER AS DESIGNATED BY THE MSAG. |

NOTE: A/O 1:
THIS FIELD
NOT BE USED
INCLUDE IN
STREET NAME

NOTE: A/O 11
THIS FIELD
NOT BE USED
INCLUDE IN
STREET NAME

NENA RECOMMENDED FORMAT
 FOR DATA EXCHANGE
 (VERSION 1)

| <u>FIELD NAME</u> | <u>POSITION</u> | <u>BYTES</u> | <u>TYPE</u> | <u>DESCRIPTION</u> |
|---|-----------------|--------------|-------------|--|
| State | 106-107 | 2 | A | Alpha state abbreviation (eg. TX) |
| Location | 108-127 | 20 | AN | Additional address information (free formatted) describing the exact location of the Calling Number (eg. Apt 718). |
| Customer Name | 128-159 | 32 | AN | Subscriber name associated with the Calling Number. |
| Class of Service | 160 | 1 | AN | Value of: 1-Residence 2-Business 3-Residence PRI 4-Business PRI 5-Centrex 6-Coin 1W out 7-Coin 2Way 8-Mobile 9-Residence OPX 0-Business OPX |
| Type of Service | 161 | 1 | N | Value of: 0-Not FX nor Non-Pub 1-FX in 911 serving area 2-FX outside 911 serving area 3-Non-Pub 4-Non-Pub FX in 911 serving area 5-Non-Pub FX outside 911 serving area |
| Exchange | 162-165 | 4 | AN | Phone company exchange identifier for the serving telephone office of the customer |
| ESN | 166-170 | 5 | AN | Emergency Service Number associated with the House Number and Street Name. |
| NOTE: ESN field may be space filled when the receiving data partner is validating the address. The telephone company providing the E9-1-1 tandem routing will provide a list of ESN's available for assignment. | | | | |
| Main NPA | 171-173 | 3 | N | Three digit area code of the Main Number associated with the Calling Number. |
| Main Number | 174-180 | 7 | N | Seven Digit telephone number of the Main Number associated with the Calling Number. |
| Order Number | 181-190 | 10 | AN | Service order number for the activity establishing this record. |

RENA RECOMMENDED FORMAT
 FOR DATA EXCHANGE
 (VERSION 1)

| <u>FIELD NAME</u> | <u>POSITION</u> | <u>BYTES</u> | <u>TYPE</u> | <u>DESCRIPTION</u> |
|--|-----------------|--------------|-------------|---|
| Extract Date | 191-196 | 6 | N | Date on which the record was created in the format... MMDDYY |
| Country ID | 197-200 | 4 | AN | Country identification code (usually the FIPS code). |
| NOTE: Country identification field is used to identify the country of call origination. The Subcommittee recommends use of the FIPS code assigned to each country by the U.S. Census Bureau. | | | | |
| Company ID | 201-205 | 5 | AN | Telephone Company Identification code |
| Source ID | 206 | 1 | AN | Code which indicates whether data is part of the initial database creation process or part of the daily update process. Daily=Space, Initial Load=C |
| Zip Code | 207-211 | 5 | AN | Postal Zip Code |
| Zip -- | 212-215 | 4 | AN | Postal Zip Code Extension |
| General Use | 216-226 | 11 | AN | This field will be mutually used by data exchange partners to pass information not defined in previous fields. |
| Reserved | 227-239 | 13 | AN | This field is reserved for the processing telephone company's use. |
| End of Record | 240 | 1 | AN | Always an asterisk (*). |

ASSUMPTIONS:

- * All fields are left-justified, with trailing spaces.
- * The telephone company providing E9-1-1 Tandem routing must provide the governmental entity with a list of ESN's available for assignment by NSAC development personnel.

NEMA RECOMMENDED STANDARD FORMAT
 FOR DATA EXCHANGE
 (VERSION 1)

| <u>NAME</u> | <u>POSITION</u> | <u>BYTES</u> | <u>TYPE</u> |
|------------------|-----------------|--------------|-------------|
| Header Indicator | 1-5 | 5 | UN |
| Extract Date | 6-11 | 6 | MMDDYY |
| Company Name | 12-61 | 50 | AN |
| Cycle Counter | 62-67 | 6 | N |
| County ID | 68-71 | 4 | AN |
| State | 72-73 | 2 | A |
| General Use | 74-93 | 20 | AN |
| Reserved | 94-159 | 66 | AN |
| End of Record | 160 | 1 | Always ** |

NOTE: All fields are left-justified, with trailing spaces, except the Cycle Counter, this field will be right-justified with with leading spaces.

Header records will employ cycle counting to ensure a cycle of updates is not missed.

When used with an AN data file, the Reserved field will be expanded to 146 bytes.

NENA RECOMMENDED TRAILER FORMAT
 FOR DATA EXCHANGE
 (VERSION 1)

| <u>NAME</u> | <u>POSITION</u> | <u>BYTES</u> | <u>TYPE</u> |
|-------------------|-----------------|--------------|-------------|
| Trailer Indicator | 1-5 | 5 | UL |
| Extract Date | 6-11 | 6 | MMDDYY |
| Company Name | 12-61 | 50 | AN |
| Record Count | 62-70 | 9 | N |
| Reserved | 71-159 | 89 | AN |
| End of Report | 160 | 1 | Always " |

NOTE: All fields are left-justified, with trailing spaces, except for the Record Count, this field will be right-justified with leading spaces.

Trailer records will employ record counting to ensure a record within an update file is not missed.

When used with an ALI data file, the Reserved field will be expanded to 169 bytes.

APPENDIX 911

EXHIBIT V

**DOCUMENTATION OF E911
CUSTOMER'S APPROVAL**

APPENDIX DA

JULY 1996

Appendix DA

DIRECTORY ASSISTANCE SERVICE

This Appendix sets forth the terms and conditions under which SWBT agrees to provide Directory Assistance services for MFS.

I. SERVICE

Directory Assistance (DA) service consists of providing end user listing information (name, address, and published telephone number or an indication of "non-published status") to MFS's end users who call DA and whenever appropriate, performing Non-Published and Non-List service according to current SWBT methods and practices. DACC service consists of SWBT completing a call to the requested number on behalf of MFS's end user.

II. DEFINITIONS

The following terms are defined as set forth below:

- A. Directory Assistance Call Competition service (DACC) - Consists of SWBT completing a call to the requested number on behalf of MFS's end user, utilizing the Interactive Voice System (IVS) or having the operator complete the call.
- B. Non-List Telephone Number - A telephone number that, at the request of the telephone subscriber, is not published in a telephone directory, but is available by calling a SWBT DA operator.
- C. Non-Published Number - A telephone number that, at the request of the end user, is neither published in a telephone directory nor provided by a SWBT DA operator.
- D. Published Number - A telephone number that is published in a telephone directory and is available upon request by calling a SWBT DA operator.
- E. IntraLATA home NPA - Where a LATA is comprised of one area code or Numbering Plan Area (NPA).
- F. IntraLATA Foreign NPA (FNPA) - Where a single LATA includes two Numbering Plan Areas (NPAs). FNPA DA calls may be classified as interstate intraLATA or intrastate intraLATA DA calls.

III. RESPONSIBILITIES OF THE PARTIES

- A. At MFS's request, SWBT will perform DA service for MFS in the Metropolitan Exchange Areas shown in Schedule 3.0 of the Interconnection Agreement. The DA service provided by SWBT shall be comparable in every way to the directory assistance service SWBT makes available to its own end users.
- B. SWBT will provide and maintain its own equipment to furnish DA Services for said Areas.
- C. SWBT will provide DA service to MFS end users from its current DA records and will use the same methods, practices, and procedures that SWBT uses for its own end users, unless otherwise agreed to in writing by both parties, which methods, practices and procedures may change from time to time.
- D. SWBT will provide intraLATA home NPA DA Service and IntraLATA FNPA DA Service to MFS end users who dial 411 or NPA+ 555 + 1212.
- E. SWBT will provide branding when technically feasible, and MFS agrees to submit traffic solely on dedicated trunk groups.
- F. At MFS's request, SWBT shall provide caller-optional DACC service which is comparable in every way to the directory assistance call completion service SWBT makes available to its own end users. SWBT shall provide DACC to MFS's end users for local, intrastate, intraLATA, and interstate intraLATA calls only.
- G. SWBT will provide the same level of answer performance to MFS end users as it provides to its own end users and comply with the same quality of service requirements.
- H. MFS shall provide end user information to SWBT and SWBT shall update the DA Database with MFS listings within twenty-four (24) hours of receipt. The listings shall be passed to the SWBT DA Database via SWBT White Pages.
- I. MFS will be responsible for providing and maintaining the equipment necessary for routing calls and signals to the SWBT DA TOPS switch.
- J. MFS will furnish in writing to SWBT, thirty (30) days in advance of the date when the DA services are to be undertaken, all end user records and information required by SWBT to provide the Service. SWBT will provide MFS the billing records or other records associated with call completion services that include the call detail; including the originating number, of end users for whom calls have been completed by SWBT.

IV. BASIS OF COMPENSATION

Compensation for DA service shall be based upon the rates set forth in Exhibit I, which is attached and made part of this Appendix. These rates will apply for one (1) year from the service effective date for each exchange. After one (1) year, SWBT may change the rates upon one hundred twenty (120) days' notice to MFS.

V. MONTHLY BILLING

SWBT will render monthly billing statements to MFS and remittance in full will be due within thirty (30) days of receipt.

APPENDIX DA

EXHIBIT I

DIRECTORY ASSISTANCE RATES

MFS will pay SWBT charges as set forth in this Exhibit for Directory Assistance Services.

| A. | <u>SERVICE</u> | <u>DESCRIPTION</u> | <u>RATE (TX)</u> (Per Call) |
|----|-----------------------------|--------------------|--------------------------------|
| 1. | LOCAL DA | 411 | \$.2602 |
| 2. | TOLL DA | 555 | \$.2602 |
| 3. | INTRALATA FOREIGN NPA DA | FNPA 555 | \$.2602 |
| 4. | DACC | Call Completion | \$.2400 |

APPENDIX FGA

JULY 1996

APPENDIX FGA

This Appendix sets forth the terms and conditions under which the Companies will distribute revenue from the joint provision of Feature Group A (FGA) Switched Access Services.

These services will be provided within a Local Access and Transport Area (LATA) and/or an Extended Area Service (EAS) arrangement. The Primary Office Company shall compensate the Secondary Office Company only to the extent that it has not already been compensated under its interstate or intrastate access service tariffs or other settlement/contract arrangements. This agreement is subject to applicable tariffs and to any necessary state or federal regulatory approval.

I. DEFINITIONS

- A. The term "Extended Area Service" (EAS) as used in this Appendix means the provision of message telephone exchange service between two or more local exchange service areas without a toll charge.
- B. "Subscriber Access Lines" shall mean a communications facility extending from a customer premise to a central office switch which may be used to make and receive exchange service calls, intrastate toll service or interstate toll service calls.
- C. "Feature Group A Switched Access Service" includes all facilities and services rendered in furnishing FGA access service, both in EAS and nonEAS (i.e., LATA wide terminations) areas, in accordance with the schedule or charges, regulations, terms and conditions stated in the interstate or intrastate access service tariffs of the parties to this Agreement.
- D. The "Primary Office Company" denotes the Party with the Primary office(s).
- E. The "Primary Office" is an office which: (1) directly or jointly connects to an Interexchange Carrier and/or end user; and (2) provides joint FGA switched access service to that Interexchange Carrier and/or end user with other end offices.
- F. The "Secondary Office Company" denotes the Party with the secondary office(s).
- G. The "Secondary Office" is any office involved in providing joint FGA switched access service to an Interexchange Carrier and/or end user through the switching facilities of the Primary office.
- H. "Revenues" under this Appendix are those FGA Switched Access amounts due the Primary and Secondary Office Companies under their applicable tariffs, less uncollectible revenues. Revenues for any other services are not included. Uncollectible revenues are those revenues the Primary Office Company is unable to collect, using its regularly established collection procedures. The Primary Office Company may offset uncollectibles against current revenue distribution.

- I. "Access Minutes" or "Minutes of Use" (MOU) are those minutes of use as described in Part 69 of the Federal Communications Commission's Rules, and are limited to those FGA MOU which originate and/or terminate in the Secondary Office(s) covered by this Appendix.
- J. "Currently Effective Tariff Rate" means the approved tariff rate effective on the first day of the month for which compensation is being calculated.

II. UNDERTAKING OF THE PARTIES

A. Provision of Approved Tariff Rates

The Secondary Company shall provide the Primary Company all tariff rate revisions approved by the FCC or other appropriate regulatory authority at least 30 days in advance of their effective date. Beginning 45 days after the effective date of the tariff revisions, revenue distribution shall be based on the revised rates. However, if the Secondary Company fails to provide a new approved rate within 30 days of its effective date, the Primary Company has the option of delaying implementation of the new rate until the next month's revenue distribution cycle with no retroactive adjustments.

- B. Each party will, promptly upon request, furnish to the other such information as may reasonably be required to execute the provisions of this Appendix as described herein.
- C. As such time MFS provides local exchange service in additional Metropolitan Exchange Areas, it shall coordinate with SWBT to complete Exhibits I and II of this Appendix.

III. ADMINISTRATION OF REVENUE DISTRIBUTION

The Primary Office Company will be responsible for the administration, computation, and distribution of the FGA access service revenues collected on behalf of the Secondary Office Company. Each Party will promptly furnish to the other such information as may be required for the administration, computation, and distribution of revenue.

IV. MINUTES OF USE (MOU) DEVELOPMENT

The Parties shall calculate the amount of FGA revenues due each Party by determining the amount of FGA MOU attributable to each Party as described below.

A. Terminating MOU Development

Actual monthly premium (charged at equal access end-offices) and non-premium (charged at nonequal access end offices) terminating FGA access MOU for each office in the LATA or a FGA access EAS area will be measured by the Primary Office Company.

Where the Primary Company bills, but cannot measure or identify the terminating FGA MOU by end office (i.e., as when a minimum monthly usage charge (MMUC) is applied), terminating MOU will be total unmeasured MOU allocated to the LATA. In this event, those MOU will be distributed based upon the ratio of each Party's subscriber access lines, as identified in Exhibit II, which is attached hereto and made a part hereof, to the total subscriber access lines in the FGA access area as determined by the Primary Company.

B. Originating MOU Development

The Primary Office company will derive and distribute monthly originating FGA access MOU, billed by the Primary Office Company, to each Secondary Office Company's end offices in the EAS calling area, as identified in Exhibit I, which is attached hereto and is made a part hereof, based upon a ratio of each company's subscriber access lines to the total subscriber access lines in the appropriate EAS area as determined by the Primary Office Company.

The Companies recognize that since originating non-EAS calls to the FGA service are rated and billed as intraLATA toll, such usage is assumed to be minimal. Therefore, originating FGA access MOU shall not be distributed to end offices outside an EAS calling area.

V. CALCULATION OF REVENUE DISTRIBUTION

- A.** The amount of premium or non-premium revenues due each end office each month shall be equal to the sum of Originating and Terminating premium or non-premium revenue for each end office. These revenues shall be calculated by the Primary Office Company by multiplying each of the Secondary Office Company's effective interstate and/or intrastate FGA switched access tariff rate elements (except the Local Transport element as described below) by the appropriate MOU calculated under Section IV.A. and B.
- B.** Local Transport (or its equivalent under the Secondary Office Company's tariff and called "Transport" in this agreement) compensation will be determined for

each company by multiplying each of the Secondary Company's Transport rates by the appropriate MOU (as calculated under Sections IV.A. and B.) by the Secondary Office Company's percentage ownership of facilities agreed on by the Companies and set out in Exhibit II.

VI. REVENUE DISTRIBUTION AMOUNTS, MONTHLY STATEMENTS AND PAYMENTS

- A. The Primary Office Company each month will calculate and prepare a monthly compensation statement reflecting the revenue distribution amounts for FGA, both EAS and nonEAS, access service due the Secondary Office Company.
- B. The monthly compensation statement will show, for each Secondary Office, separately:
 - 1. The total number of non-premium or premium terminating MOU and revenues.
 - 2. The total number of non-premium or premium originating MOU and revenues.
 - 3. The total compensation due the Secondary Office Company, by rate element.
 - 4. The number of terminating MOU recorded by the Primary Office Company.
 - 5. The number of originating MOU estimated by the Primary Office Company pursuant to Section IV.B.
 - 6. The number of access lines used to prorate originating usage pursuant to Section IV.B.
 - 7. The percent ownership factor, if any, used to prorate Local Transport revenues.
 - 8. Adjustments for uncollectible.
- C. As soon after the end of each billing period as is practical, the Primary Office Company shall remit the compensation amount due the Secondary Office Company. Where more than one compensation amount is due, they may be combined into a single payment.

VII. MISCELLANEOUS PROVISIONS

This Appendix shall remain in effect until terminated by thirty (30) calendar days written notice by either party to the other designed representative of the other.

APPENDIX FGA

EXHIBIT I

EAS LOCATIONS FOR ORIGINATING AND TERMINATING
FEATURE GROUP A ACCESS SERVICE

DALLAS

| Primary Office Company | | Secondary Office Company | | |
|---------------------------|----------------|-----------------------------|-------------------------------|---------------------------------|
| <u>CLLI CODE</u> | <u>NPA-NXX</u> | <u>CLLI CODE</u> | <u>NPA-NXX</u> | <u>ACCESS LINES¹</u> |
| DLLSTXTA03T | | DLLSTX971KD | 972-372 972-374 972-375 | To be updated every 30 days |

¹The number of access lines will be considered Proprietary Information under Section 28.6 of the Interconnection Agreement.

APPENDIX FGA

EXHIBIT II

LOCATION FOR LATA WIDE TERMINATION
OF FEATURE GROUP A ACCESS SERVICES IN
NON-EAS CALLING AREAS

DALLAS

SECONDARY OFFICE
COMPANY

| <u>CLI</u> | <u>NPA-NXX</u> | <u>Access Lines²</u> | <u>% Ownership Of Transport Facilities</u> | <u>LATA</u> |
|-------------|-------------------------------|---------------------------------|--|-------------|
| DLLSTX971KD | 214-210 214-560 972-367 | To be updated every 30 days | 50 | Dallas |

²The number of access lines will be considered Proprietary Information under Section 28.6 of the Interconnection Agreement.

APPENDIX RESALE

JULY 1996

Appendix RESALE

This Appendix sets forth the rates, terms, and conditions for certain services which MFS has requested that SWBT provide to MFS for resale at wholesale rates.

TERMS & CONDITIONS OF SERVICE

1. SWBT will provide the services covered by this Appendix at the wholesale rates specified in the attached Exhibits subject to the availability of facilities.
2. The rules and regulations associated with the corresponding tariffs, including but not limited to the General Exchange Tariff, Local Access Services Tariff, and the individual retail service tariffs (hereinafter "corresponding tariffs") apply to all services available pursuant to this Appendix listed on the Exhibits attached hereto, unless otherwise specified herein.
3. MFS shall be permitted to resell SWBT telecommunications services only to the same class of end users to which SWBT sells the same services, e.g., residence service may not be resold to business end users.
4. MFS shall not use resold Telephone Exchange Service to provide Exchange Access to other Telecommunications Carriers. MFS may permit its end users to use resold Telephone Exchange Service to access Telecommunications Carriers.
5. Without SWBT's written authorization, MFS shall not offer the services provided pursuant to this Appendix using the trademarks, service marks, trade names, brand names, logos, insignia, symbols or decorative designs of SWBT or its affiliates. Nor shall MFS state or imply that there is any joint business association or similar arrangement with SWBT in the provision of services to its own end users. MFS may brand services provided pursuant to this Appendix with its own brand name.
6. When initiating service to a new end user or converting a SWBT account to an MFS account, or between Local Service Providers (LSPs), MFS shall pay appropriate nonrecurring charges listed in the corresponding retail tariff with a discount of 25% applied.
7. The Service Order Charges for additional lines (contained in the tariff) shall be available only to additional lines. Additional lines are requests for additional line service by an end user at the same location where the end user is already receiving local exchange service on the SWBT local exchange network.

8. If one Party is in violation of any provision of this Appendix, the first Party shall notify the second Party of the violation in writing. At such time, the second Party will have thirty (30) days to correct the violation and notify the first Party in writing that the violation has been corrected and to pay any amounts (except disputed amounts under Section 28.12 of the Interconnection Agreement) which should have been paid to the first Party or the actual revenues collected by the second Party from its end users for the stated violation, whichever is greater.

ANCILLARY SERVICE

1. Where available, SWBT will afford MFS' local exchange end users with the ability to access 911 services. MFS shall pay to SWBT all applicable 911 surcharges, on a per line basis, for purpose of 911 administration. Where requested by SWBT, MFS shall provide accurate and complete information regarding MFS' end users in a format and time frame prescribed by SWBT.
2. SWBT shall provide MFS' end users with access to SWBT Directory Assistance Service (DA) and Operator Services (OS). MFS shall pay SWBT amounts attributable to such services used by MFS' end users. Prices associated with the provision of OS shall be those contained in the corresponding retail tariff. DA Services shall be provided in accordance with the rates, terms, and conditions contained in the DA Appendix.
3. SWBT shall provide a straight line listing for each MFS end user in the appropriate SWBT White Pages directory and will deliver local directories to MFS end user's premises at the same time directories are delivered to SWBT end users. Subscriber listing information for resold local exchange service is and shall remain the property of SWBT.

Additionally, Enhanced Listing services (i.e., Signature Listings and additional listings) can be purchased by MFS for its end users on a per listing basis. MFS shall pay SWBT amounts attributable to Enhanced Listing services used by MFS' end users. The prices contained in the White Pages Appendix shall apply to such services.

ADDITIONAL SERVICES

At its option, MFS may negotiate additional or different terms and conditions for resale with SWBT other than those set forth in this Appendix. Should MFS request to resell at wholesale rates additional services beyond those listed in the attached Exhibits, the Parties shall negotiate terms in good faith; provided, however, that Plexar® Custom, customer-owned private pay phone lines, grandfathered services, Lifeline and Link-Up services, packages and promotional offerings, and services with legislatively or Commission mandated special discounts will not be provided for resale at wholesale rates, except as directed by the FCC or the Commission.

RESPONSIBILITIES OF SWBT

1. SWBT shall allow MFS to place service orders and receive phone number assignments (for new lines). These activities shall be accomplished by telephone call or facsimile until electronic interface capability has been established. SWBT, with input from MFS, shall provide interface specifications for electronic access for these functions to MFS once such electronic interfaces become technically feasible and are in place. However, MFS shall be responsible for modifying and connecting any of its systems with SWBT provided interfaces when such interfaces become available.
2. SWBT shall implement MFS service orders within the same time intervals SWBT uses to implement service orders for similar services for its own end users.
3. MFS will have the ability to report trouble for its end users to appropriate SWBT trouble reporting centers 24 hours a day, 7 days a week. MFS will be assigned a customer contact center when initial service agreements are made. MFS' end users calling SWBT will be referred to MFS at the number provided by MFS.
4. SWBT will provide MFS with the detailed billing information in a standard electronic format necessary for MFS to issue a bill to its end users. MFS will have the option of receiving daily usage to monitor the patterns of its end users' usage sensitive services.
5. SWBT will issue service orders at the request of MFS and other certified LSPs. Neither Party shall be obligated by this Appendix to investigate any allegations of slamming on behalf of the other Party or a third party. SWBT will investigate an alleged incidence of slamming on behalf of MFS, upon request for a \$50.00 investigation fee.
6. For existing lines, end users switching from a directly-provided service to the same service resold by MFS shall be allowed to retain their existing telephone number(s).

RESPONSIBILITIES OF MFS

1. When SWBT receives an order from MFS for services under this Appendix and SWBT is currently providing services under this Appendix to another local service provider for the same end user, SWBT shall notify the LSP of record of such order coincident with processing the order. It shall then be the responsibility of the LSP of record and MFS to resolve any issues related to the end user.
2. MFS is solely responsible for the payment of charges for all services furnished in this Appendix including, but not limited to, calls originated or accepted at its own premises and its end users' service locations, with the exception of any services SWBT elects to directly provide and bill to MFS' end users.

Compensation for all services shall be paid regardless of MFS' ability or inability to collect charges from its end user for such service.

PROCEDURES FOR NONPAYMENT AND DISCONNECTION

1. If MFS fails to pay charges owed to SWBT when due and such charges remain unpaid more than fifteen (15) days after the due date, SWBT shall notify MFS in writing that in order to avoid having service disconnected, MFS must remit all Unpaid Charges to SWBT within fourteen (14) business days.
2. If any MFS charges remain unpaid and undisputed twenty-nine (29) days past the due date, SWBT shall notify MFS, the appropriate Commission(s), and the end users' IXC(s) of Record in writing that unless all charges are paid within sixteen (16) days, MFS's service shall be disconnected and its end users shall be switched to SWBT local service. SWBT will also suspend order acceptance at this time.
3. If any MFS charges remain unpaid and undisputed forty (40) days past the due date, MFS shall, at its sole expense, notify its end users, the appropriate Commission(s) and the end users' IXC(s) of Record that their service may be disconnected for MFS's failure to pay Unpaid Charges and that its end users must select a new local service provider within five (5) days. They shall also note that SWBT will assume the end user's account at the end of the five- (5-) day period should the end user fail to select a new local service provider.
4. If any MFS charges remain unpaid and undisputed forty-five (45) days past the due date, SWBT shall disconnect MFS and transfer all MFS's end users who have not selected another local service provider directly to SWBT's service. These end users shall receive the same services provided through MFS at the time of transfer. SWBT shall inform the appropriate Commission(s) and the end users' IXC(s) of Record of the names of all end users transferred through this process. Applicable charges for switching end users from MFS to SWBT shall be assessed to MFS.
5. Within five (5) days of the transfer (50 days past MFS's due date), SWBT shall notify all affected end users that because of failure to pay, their service is now being provided by SWBT. SWBT shall also notify the end user that they have thirty (30) days to select a local service provider.
6. If any end users fails to select a local service provider within thirty (30) days of the change of providers (80 days past MFS's due date), SWBT shall terminate the end user's service. SWBT shall notify the appropriate Commission(s) and the end user's IXC of Record of the names of all end users whose service has been terminated. The end user shall be responsible for any and all charges incurred during the selection period.
7. After disconnection procedures have begun, SWBT shall not accept service orders from MFS until all Unpaid Charges are paid. SWBT shall have a right to require a deposit equal to one (1) month's charges (based on his last previous month of service from SWBT) prior to resuming service to MFS after a disconnect for nonpayment.

RESPONSIBILITIES OF BOTH PARTIES

Methods and procedures for ordering and trouble reporting are outlined in the Handbook for Non-Switched Based Providers as amended by SWBT from time to time. Both Parties agree to abide by the procedures contained therein unless MFS notifies SWBT of its objections within thirty (30) days of the dissemination of methods and procedures.

EXHIBIT A
PROPRIETARY

EXHIBIT B

PROPRIETARY

APPENDIX WP
JULY 1996

Appendix WP

WHITE PAGES DIRECTORY APPENDIX

SWBT and MFS agree to the following terms and conditions for the printing and distribution of White Pages directories:

1. SWBT publishes White Pages directories for geographic areas in which MFS also provides local exchange telephone service, and MFS wishes to include listing information for its end users in the appropriate SWBT White Pages directories.
2. MFS also desires distribution to MFS' end users' premises of the White Pages directories that include listings of MFS' end users. MFS further desires bulk delivery of directories to a designated location concurrent with the delivery of directories to its end users.
3. NOW THEREFORE, in consideration of these premises, SWBT and MFS agree as follows:

1. SERVICE PROVIDED

- A. SWBT shall use the practices, rules and regulations applicable to the provision of White Pages directories on a nondiscriminatory basis. SWBT will include in appropriate White Pages directories the primary alphabetical listings of all MFS end users located within the local directory scope.
- B. On a daily basis or as otherwise agreed, MFS shall furnish to SWBT, in a format acceptable to both Parties, a single feed of subscriber listing information pertaining to MFS end users located within the local directory scope, along with such additional information as SWBT may require to prepare and print the alphabetical listings of said directory. From the single feed, SWBT shall forward MFS end user information to SWBT's White Pages directory and directory assistance databases and to third party publishers designated by MFS where SWBT transmits its own end user listings to the same third party. SWBT shall provide such MFS listing information to designated third parties for an administrative fee per publisher as set forth in the compensation schedule.
- C. MFS' end user listings are to be interfiled (interspersed) in the directory among SWBT's end user listing information with no discernible differentiation in the listings to indicate to the reader that the listings are served by another carrier.

- D. Ninety (90) days prior to the business office close date for a particular directory, SWBT shall provide MFS a verification list of MFS' end user listings, as such listings are to appear in the directory. The verification list shall also include Directory Delivery Address (DDA) information for each MFS end user. MFS shall review this verification list and shall submit to SWBT any necessary additions, deletions or modifications within sixty (60) days of receipt of the list from SWBT.
- E. SWBT will provide a directory delivery list which will be derived from the DDA information which MFS will use to determine the number of directories that each MFS end user will require. MFS will verify, annotate and return this delivery list to SWBT thirty (30) days prior to the commencement of delivery. SWBT will provide one copy of the directory to MFS end users, unless otherwise instructed by MFS.
- F. Sixty (60) days prior to the directory close, MFS shall also provide to SWBT a written forecast of the total number of directories that MFS will require. Such forecast will include both the number of book copies to be delivered to MFS' end users as part of SWBT's annual directory distribution and the number of book copies to be delivered in bulk to MFS to support MFS' projected needs the following year. In its order to the directory printer, SWBT shall specify the number of copies that MFS has requested of a particular directory. SWBT shall distribute the directory annually, at MFS' option, and shall make any subsequent distribution under the terms set forth in Section III.
- G. SWBT will include MFS specific information (i.e., business office, residence office, repair bureau, etc.) in the White Pages directory on an "index-type" informational page. This page will also include specific information pertaining to other LSPs. At its option, MFS shall provide SWBT with its logo and information in the form of a camera ready copy, sized at 1/8th of a page.

II. USE OF END USER LISTING INFORMATION

MFS authorizes SWBT to use the end user listing information provided to SWBT pursuant to this Appendix for the purpose of including the listings in the appropriate printed White Pages directory and directory assistance databases (where such service is provided by SWBT), and, at the request of MFS, transmittal to designated third party directory publishers.

III. COMPENSATION

The following compensation rates are in effect for the term of this appendix agreement. If more favorable compensation provisions are provided to another LSP, MFS may avail itself of such provisions upon request.

- A. Subsequent to its initial order, and at the time of delivery, SWBT will assess MFS a \$6.50 annual, per listing charge for White Pages directory services. Included in this rate MFS will receive for its end users:
 - 1) One (1) Primary Directory Listing; and
 - 2) One (1) copy of the directory delivered to MFS end user premises.
- B. On a one-time basis, at the time of MFS' initial order, SWBT will provide a total allotment of 200 book copies of the SWBT White Pages directory for the Dallas metropolitan area which will be delivered to MFS end users. SWBT will waive the \$6.50 fee for each of these 200 book copies.
- C. Additionally, on a one-time basis, at the time of its initial order, SWBT further agrees to provide, in bulk, to MFS a total of 200 additional book copies of those directories with a close date during the term of this Agreement, at no charge to MFS. MFS agrees to pay SWBT \$5.00 for each additional book copy, ordered at the time of its initial request, beyond the 200 copies. Such book copies will be delivered in bulk to MFS.
- D. For any subsequent directory order, SWBT shall charge MFS \$10.00 per book copy. This rate is applicable, per book copy, whether subsequent directories are delivered in bulk to MFS or to MFS' end users.
- E. SWBT agrees to provide to MFS, for resale to its end users, enhanced residential listings (i.e., signature listings), at an eight percent (8%) discount from SWBT's retail tariff rates.
- F. Where an MFS end user requires additional listings to appear in the White Pages directory, SWBT agrees to provide MFS such listings at an eight percent (8%) discount from SWBT's retail tariff rates.

- G. At MFS' request, SWBT shall transmit MFS' end user listing information to designated third party directory publishers for a one-time administrative fee of \$100.00 per directory publisher.

IV. ASSIGNMENT

The end user listing information shall remain the property of MFS. Except as stated herein, SWBT shall not sublicense, assign, sell or transfer the end user listing information provided hereunder, nor shall SWBT authorize any other company or any person to use the end user listing information for any other purpose. SWBT shall take appropriate measures to guard against any unauthorized use of the listings provided to it hereunder (at least the same measures SWBT takes to protect its own listings from unauthorized use), whether by SWBT, its agents, employees or others.

V. LIABILITY

- A. MFS hereby releases SWBT from any and all liability for damages due to errors or omissions in the subscriber listing information that MFS supplied to SWBT for inclusion in the White Pages subject to the provisions in paragraph I., D. above.
- B. This Appendix shall not establish, be interpreted as establishing, or be used by either Party to establish or to represent their relationship as any form of agency, partnership or joint venture. Neither Party shall have any authority to bind the other or to act as an agent for the other unless written authority, separate from this Appendix, is provided. Nothing in this Appendix shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both of the Parties. Nothing herein shall be construed as making either Party responsible or liable for the obligations and undertakings of the other Party.

VI. TERM

- A. This Appendix shall continue in force for one (1) year, or until terminated by either Party to the other with sixty (60) days prior written notice. After one year, the agreement shall continue if the parties are able to reach mutually agreeable terms regarding rates and conditions. Upon termination of this agreement, SWBT shall cease using, for any purpose whatsoever, the subscriber listing information provided hereunder by MFS, and shall promptly return such subscriber listing information to MFS.

- B. Upon termination of the interconnection Agreement, this Appendix will be null and void with respect to any issue of directories published thereafter, except that the indemnification provided by Section V herein shall continue with respect to any directory published within sixty (60) days of termination.

**INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE
TELECOMMUNICATIONS ACT OF 1996**

Dated as of July 16, 1996

by and between

BELL ATLANTIC-MARYLAND, INC.

and

MFS INTELENET OF MARYLAND, INC.

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INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996, is effective as of the 16th day of July, 1996 (the "Effective Date"), by and between Bell Atlantic-Maryland, Inc. ("BA"), a Maryland corporation with offices at 1 East Pratt Street, Baltimore, Maryland 21202, and MFS Intelenet of Maryland, Inc. ("MFS"), a Delaware corporation with offices at 33 Whitehall Street, 15th Floor, New York, New York 10004.

WHEREAS, the Parties want to interconnect their networks at mutually agreed upon points of interconnection to provide Telephone Exchange Services, Switched Exchange Access Services, and other Telecommunications Services (all as defined below) to their respective customers;

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 (as defined below) and additional services as set forth herein; and

WHEREAS, Sections 251, 252, and 271 of the Telecommunications Act of 1996 have specific requirements for interconnection, unbundling, and service resale, commonly referred to as the "Checklist", and the Parties intend that this Agreement meet those Checklist requirements.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MFS and BA hereby agree as follows:

This Agreement sets forth the terms, conditions and pricing under which BA and MFS (individually, a "Party" and collectively, the "Parties") will offer and provide to each other network Interconnection, access to Network Elements, ancillary services, and wholesale Telecommunications Services available for resale within each LATA in which they both operate within Maryland. As such, this Agreement is an integrated package that reflects a balancing of interests critical to the Parties. It will be submitted to the Maryland Public Service Commission and the Parties will specifically request that the Commission refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement. So long as the Agreement remains in effect, neither Party shall advocate before any legislative, regulatory, or other public forum that any term of this Agreement be modified or eliminated, unless otherwise mutually agreed by the Parties.

1.0 DEFINITIONS.

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. For convenience of reference only, the definitions of certain terms that are As Defined in the Act (as defined below) are set forth on Schedule 1.0.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 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 FCC or the Commission.

1.2 "ADSL" or "Asymmetrical Digital Subscriber Line" means a transmission technology which transmits an asymmetrical digital signal of up to 6 mbps to the Customer and up to 640 kbps from the Customer.

1.3 [Reserved]

1.4 "Agreement" means this Interconnection Agreement under Sections 251 and 252 of the Act and all Exhibits and Schedules appended hereto.

1.5 "Ancillary Traffic," means all traffic that is destined for ancillary services, or that may have special billing requirements, including but not limited to the following: LSV/VCI, Directory Assistance, 911/E911, Operator Services (call completion), 800/888 database query, LIDB, and information services requiring special billing.

1.6 "As Defined in the Act" means as specifically defined by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.7 "As Described in the Act" means as described in or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.8 "Automatic Number Identification" or "ANI" means a Feature Group D signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.9 "Calling Party Number" or "CPN" is a Common Channel Signaling ("CCS") parameter which refers to the number transmitted through a network identifying the calling party.

1.10 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switch" or "End Office" which is used to terminate Customer station Loops for the purpose of interconnection to each other and to trunks; and

(b) "Tandem Switch" or "Tandem Office" which is a switching entity that is used to connect and switch trunk circuits between and among End Office Switches and between and among End Office Switches and carriers' aggregation points, points of termination, or points of presence. An "Access Tandem Office" or "Access Tandem" is a Tandem Office with billing and recording capabilities that is used to provide Switched Exchange Access Services.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.11 [Reserved]

1.12 "CLASS Features" means certain CCS-based features available to Customers including, but not limited to: Automatic Call Back; Call Trace; Caller Identification, and future offerings.

1.13 "Collocation" means an arrangement whereby one Party's (the "Collocating Party") facilities are terminated in equipment necessary for Interconnection or for access to Network Elements offered by the second Party on an unbundled basis that has been installed and maintained at the premises of a second Party (the "Housing Party"). For purposes of Collocation, the "premises" of a Housing Party is limited to a Housing Party Wire Center, other mutually agreed-upon locations of the Housing Party, or any other location for which Collocation has been ordered by the FCC or Commission. Collocation may be "physical" or "virtual". In "Physical Collocation," the Collocating Party installs and maintains its own equipment in the Housing Party's premises. In "Virtual Collocation," the Housing Party owns, installs, and maintains equipment dedicated to use by the Collocating Party in the Housing Party's premises. BA currently provides Collocation under terms, rates, and conditions as described in tariffs on file or soon to be filed with the FCC and the Commission. Upon request by either Party, BA and MFS will address the provision of additional types of Collocation arrangements, including additional physical locations and alternative utilizations of space and facilities.

1.14 "Commission" means the Maryland Public Service Commission.

1.15 "Common Channel Signaling" or "CCS" means a method of transmitting call set-up and network control data over a digital signaling network separate from the public switched telephone network facilities that carry the actual voice or data traffic of the call. "SS7" means the common channel out of band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph ("CCITT") and the American National Standards Institute ("ANSI"). BA and MFS currently utilize this out-of-band signaling protocol. "CCSAC" or "CCSAS" means the common channel signaling access connection or service, respectively, which connects one Party's signaling point of interconnection ("SPOI") to the other Party's STP for the exchange of SS7 messages.

1.16 "Competing Local Exchange Carrier" or "CLEC" means any Local Exchange Carrier other than BA, operating as such in BA's certificated territory in Maryland. MFS is or will shortly become a CLEC.

1.17 "Cross Connection" means a jumper cable or similar connection provided pursuant to Collocation at the digital signal cross connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party.

1.18 "Customer" means a third-party residence or business subscriber to Telecommunications Services provided by either of the Parties.

1.19 "Dialing Parity" is As Defined in the Act.

1.20 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.21 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.22 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

1.23 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.24 "Exchange Access" is As Defined in the Act.

1.25 "Exchange Message Record" or "EMR" means the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement, and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, a Bell Communications Research, Inc. ("Bellcore") document that defines industry standards for Exchange Message Records.

1.26 [Reserved]

1.27 "FCC" means the Federal Communications Commission.

1.28 "HDSL" or "High-Bit Rate Digital Subscriber Line" means a transmission technology which transmits up to 784 kbps simultaneously in both directions on a two-wire channel using a 2 Binary / 1 Quaternary ("2B1Q") line code.

1.29 "Independent Telephone Company" or "ITC" means any entity other than BA

which, with respect to its operations within Maryland, is an "Incumbent Local Exchange Carrier" As Described in the Act.

1.30 "Information Service Traffic" means Local Traffic or IntraLATA Toll Traffic which originates on a Telephone Exchange Service line and which is addressed to an information service provided over a Party's information services platform (e.g. 915).

1.31 "Integrated Digital Loop Carrier" means a subscriber loop carrier system which integrates within the switch at a DS1 level that is twenty-four (24) loop transmission paths combined into a 1.544 Mbps digital signal.

1.32 "Integrated Services Digital Network" or "ISDN" means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN ("BRI-ISDN") provides for digital transmission of two 64 kbps bearer channels and one 16 kbps data and signaling channel (2B+D). Primary Rate Interface-ISDN ("PRI-ISDN") provides for digital transmission of twenty three (23) 64 kbps bearer channels and one 16 kbps data and signaling channel (23 B+D).

1.33 "Interconnection" is as Described in the Act, and means the connection of separate pieces of equipment or transmission facilities within, between, or among networks. The architecture of Interconnection may include, but is not limited to, Collocation Arrangements, entrance facilities, and Mid-Span Meet arrangements.

1.34 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.35 "Interim Number Portability" or "INP" means the use of existing and available call routing, forwarding, and addressing capabilities (e.g. remote call forwarding) to enable a Customer to receive Telephone Exchange Service provided by any Local Exchange Carrier operating within the exchange area with which the Customer's telephone number(s) is associated, without having to change the telephone number presently assigned to the Customer and regardless of whether the Customer's chosen Local Exchange Carrier is the carrier that originally assigned the number to the Customer.

1.36 "InterLATA" is As Defined in the Act.

1.37 "IntraLATA Toll Traffic" means those intraLATA calls that are not defined as Local Traffic in this Agreement.

1.38 "Line Side" means an End Office Switch connection that provides transmission, switching and optional features suitable for Customer connection to the public switched network, including loop start supervision, ground start supervision, and signaling for basic rate ISDN service.

1.39. "Line Status Verification" or "LSV" means an operator request for a status check on the line of a called party. The request is made by one Party's operator to an operator of the other Party. The verification of the status check is provided to the requesting operator.

1.40 "Local Access and Transport Area" or "LATA" is As Defined in the Act.

1.41 "Local Exchange Carrier" or "LEC" is As Defined in the Act. The Parties to this Agreement are or will shortly become Local Exchange Carriers.

1.42. "Local Serving Wire Center" means a Wire Center that (i) serves the area in which the other Party's or a third party's Wire Center, aggregation point, point of termination, or point of presence is located, or any Wire Center in the LATA in which the other Party's Wire Center, aggregation point, point of termination or point of presence is located in which the other Party has established a Collocation Arrangement or is purchasing an entrance facility, and (ii) has the necessary multiplexing capabilities for providing transport services.

1.43 "Local Telephone Number Portability" or "LTNP" means "number portability" As Defined in the Act.

1.44 "Local Traffic," means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network, within a given local calling area, or expanded area service ("EAS") area, as defined in BA's effective Customer tariffs. Local Traffic does not include traffic originated or terminated by a commercial mobile radio service carrier.

1.45. "Main Distribution Frame" or "MDF" means the primary point at which outside plant facilities terminate within a Wire Center, for interconnection to other telecommunications facilities within the Wire Center.

1.46. "MECAB" means the Multiple Exchange Carrier Access Billing (MECAB) document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee ("CLC") of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an Exchange Access service provided by two or more LECs, or by one LEC in two or more states, within a single LATA.

1.47. "MECOD" means the Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of OBF. The MECOD document, published by Bellcore as Special Report SR-STS-002643, establishes methods for processing orders for Exchange Access service which is to be provided by two or more LECs.

1.48 "Meet-Point Billing" or "MPB" means an arrangement whereby two or more LECs jointly provide to a third party the transport element of a Switched Exchange Access Service

to one of the LECs' End Office Switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective Exchange Access tariffs. "Meet-Point Billing Traffic" means traffic that is subject to an effective Meet-Point Billing arrangement.

1.49. "Mid-Span Meet" means an Interconnection architecture whereby two carriers' fiber transmission facilities meet at a mutually agreed-upon Interconnection point.

1.50 "Multiple Bill/Single Tariff" or "Multiple Bill/Multiple Tariff" means the MPB method whereby each LEC prepares and renders its own meet point bill in accordance with its own Tariff(s) for the portion of the jointly-provided Switched Exchange Access Service which the LEC provides.

1.51 "Network Element" is As Defined in the Act.

1.52 "Network Element Bona Fide Request" means the process described on Exhibit B that prescribes the terms and conditions relating to a Party's request that the other Party provide a Network Element not otherwise provided by the terms of this Agreement.

1.53 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.54. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. There are two general categories of NPAs, "Geographic NPAs" and "Non-Geographic NPAs." A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code," is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, 500 and 888 are examples of Non-Geographic NPAs.

1.55 "NXX," "NXX Code," or "End Office Code" means the three digit switch entity indicator (i.e. the first three digits of a seven digit telephone number).

1.56 "Permanent Number Portability" or "PNP" means the use of a database or other technical solution that comports with regulations issued by the FCC to provide LTNP for all customers and service providers.

1.57 "Port Element" or "Port" means a line card (or equivalent) and associated peripheral equipment on an End Office Switch which serves as the Interconnection between individual loops or individual Customer trunks and the switching components of an End Office Switch and the associated switching functionality in that End Office Switch. Each Port is typically associated with one (or more) telephone number(s) which serves as the Customer's network address.

1.58 "Rate Center Area" or "Exchange Area" means the specific geographic point and corresponding geographic area which has been identified by a given LEC as being associated with a particular NPA-NXX code assigned to the LEC for its provision of Telephone Exchange Services. The Rate Center Area is the exclusive geographic area which the LEC has identified as the area within which it will provide Telephone Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center Area. A "Rate Center Point" is a specific geographic point, defined by a V&H coordinate, located within the Rate Center Area and used to measure distance for the purpose of billing Customers for distance-sensitive Telephone Exchange Services and Toll Traffic.

1.59 "Rate Demarcation Point" means the point of minimum penetration at the Customer's premises or other point, as defined in a Party's Tariffs, where network access recurring charges and LEC responsibility ends and beyond which Customer responsibility begins.

1.60 "Rating Point" or "Routing Point" means a specific geographic point identified by a specific V&H coordinate. The Rating Point is used to route inbound traffic to specified NPA-NXXs and to calculate mileage measurements for distance-sensitive transport charges of switched access services. Pursuant to Bellcore Practice BR-795-100-100, the Rating Point may be an End Office location, or a "LEC Consortium Point of Interconnection." Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, the Rating Point/Routing Point associated with each NPA-NXX need not be the same as the corresponding Rate Center Point, nor must it be located within the corresponding Rate Center Area, nor must there be a unique and separate Rating Point corresponding to each unique and separate Rate Center.

1.61 "Reciprocal Compensation" is As Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Local Traffic originating on one Party's network and terminating on the other Party's network.

1.62 "Service Control Point" or "SCP" means the node in the common channel signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from a service switching point and via a Signaling Transfer Point, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

1.63 "Signaling Transfer Point" or "STP" means a specialized switch that provides SS7 network access and performs SS7 message routing and screening.

1.64 "Switched Access Detail Usage Data" means a category 1101XX record as defined in the EMR Bellcore Practice BR-010-200-010.

1.65 "Switched Access Summary Usage Data" means a category 1150XX record as defined in the EMR Bellcore Practice BR-010-200-010.

1.66 "Switched Exchange Access Service" means the offering of transmission and switching services for the purpose of the origination or termination of Toll Traffic. Switched Exchange Access Services include but may not be limited to: Feature Group A, Feature Group B, Feature Group D, 700 access, 800 access, 888 access, and 900 access.

1.67 "Synchronous Optical Network" or "SONET" means an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps (OC-1/STS-1) and higher rates are direct multiples of the base rate, up to 13.22 Gbps.

1.68 "Tariff" means any applicable federal or state tariff of a Party, or standard agreement or other document that sets forth the generally available terms and conditions under which a Party offers a particular service, facility, or arrangement.

1.69 "Technically Feasible Point" is As Described in the Act.

1.70 "Telecommunications" is As Defined in the Act.

1.71 "Telecommunications Act" means the Telecommunications Act of 1996 and any rules and regulations promulgated thereunder.

1.72 "Telecommunications Carrier" is As Defined in the Act.

1.73 "Telecommunications Service" is As Defined in the Act.

1.74 "Telephone Exchange Service," sometimes also referred to as "Exchange Service," is As Defined in the Act. Telephone Exchange Service generally provides the Customer with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and enables such Customer to place or receive calls to all other stations on the public switched telecommunications network.

1.75 "Toll Traffic" means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that Party's network and is not Local Traffic or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic," depending on whether the originating and terminating points are within the same LATA.

1.76 "Transit Traffic" means any traffic that originates from or terminates at MFS's network, "transits" BA's network substantially unchanged, and terminates to or originates from a third carrier's network, as the case may be. "Transit Traffic Service" provides MFS with the ability to use its connection to a BA Access Tandem Switch for the delivery of calls which originate or terminate with MFS and terminate to or originate from a carrier other than BA, such as another

CLEC, a LEC other than BA, or a wireless carrier. In these cases, neither the originating nor terminating Customer is a Customer of BA. This service is provided through BA's Access Tandem Switches. "Transit Traffic" and "Transit Traffic Service" do not include or apply to traffic that is subject to an effective Meet-Point Billing arrangement.

1.77 "Trunk Side" means a Central Office Switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity (e.g. another carrier's network). Trunk Side connections offer those transmission and signaling features appropriate for the connection of switching entities.

1.78 "Unbundled Local Loop Element" or "ULL" means a transmission path that extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in the Customer's serving End Office to the Rate Demarcation Point (or network interface device (NID) if installed) in or at a Customer's premises. The actual loop transmission facilities used to provide an ULL may utilize any of several technologies.

1.79 "Verification with Call Interruption" or "VCI" means a service that may be requested and provided when Line Status Verification has determined that a line is busy due to an ongoing call. VCI is an operator interruption of that ongoing call to inform the called party that a calling party is seeking to complete his or her call to the called party.

1.80 "Voice Grade" means either an analog signal of 300 to 3000 Hz or a digital signal of 56/64 kilobits per second. When referring to digital voice grade service (a 56/64 kbps channel), the terms "DS-0" or "sub-DS-1" may also be used.

1.81 "Wire Center" means a building or portion thereof in which a Party has the exclusive right of occupancy and which serves as a Routing Point for Switched Exchange Access Service.

2.0 INTERPRETATION AND CONSTRUCTION.

2.1 All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings used in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including BA or other third party offerings, guides or practices), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, or rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

2.2 Subject to the terms set forth in Section 20, each Party hereby incorporates by reference those provisions of its tariffs that govern the provision of any of the services or facilities provided hereunder. If any provision of this Agreement and an applicable tariff cannot be

reasonably construed or interpreted to avoid conflict, the Parties agree to negotiate in good faith to reconcile and resolve such conflict. If any provision contained in this main body of the Agreement and any Exhibit hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of the Agreement shall prevail. The fact that a condition, right, obligation, or other term appears in this Agreement but not in any such tariff shall not be interpreted as, or be deemed grounds for finding, a conflict for purposes of this Section 2.

3.0 INTERCONNECTION ACTIVATION DATES AND IMPLEMENTATION SCHEDULE.

3.1 Subject to the terms and conditions of this Agreement, each Party shall exercise its best efforts to adhere to the Interconnection Activation Dates and Network Implementation Schedule set forth in Schedule 3.0, and to provide fully operational service predominantly over its own Telephone Exchange Service facilities to business and residential Customers upon the achievement of the milestones in said Schedule for each listed LATA in Maryland. For purposes of this Agreement, MFS's service in Maryland shall be considered provided "predominantly over its own Telephone Exchange Service facilities" if MFS uses its own Central Office Switch(es) (as opposed to resale of another carrier's Telephone Exchange Service or Ports) to serve the majority of its Telephone Exchange Service Customers, its own interoffice transport facilities for the majority of its interoffice transport needs, and its own local loops (or functional equivalent), in addition to resale of other carriers' Telephone Exchange Service or ULLs, to serve its Telephone Exchange Service Customers.

3.2 Schedule 3.0 may be revised and supplemented from time to time upon the mutual agreement of the Parties to reflect the intention of the Parties to interconnect in additional LATAs pursuant to subsection 4.4 by attaching one or more supplementary schedules to Schedule 3.0. The Parties stipulate and agree that the performance of the terms of this Agreement will satisfy BA's obligation to provide Interconnection under Section 251 of the Act, and the requirements of the Competitive Checklist, under Section 271 of the Act. MFS represents that it is, or intends to become, a provider of Telephone Exchange Service to residential and business subscribers offered exclusively over its own Telephone Exchange Service facilities or predominantly over its own Telephone Exchange Service facilities in combination with the resale of the Telecommunications Services of other carriers.

4.0 INTERCONNECTION PURSUANT TO SECTION 251(c)(2)

The types of Traffic to be exchanged under this Agreement shall be Local Traffic, IntraLATA Toll (and InterLATA Toll, as applicable) Traffic, Transit Traffic, Meet Point Billing Traffic, and Ancillary Traffic. Subject to the terms and conditions of this Agreement, Interconnection of the Parties facilities and equipment for the transmission and routing of Local Traffic and Toll Traffic pursuant to this Section 4 shall be established on or before the corresponding "Interconnection Activation Date" shown for each such LATA within Maryland on Schedule 3.0. Both Schedule 3.0 and Schedule 4.0 may be revised and

supplemented from time to time upon the mutual agreement of the Parties to reflect Interconnection in additional LATAs in Maryland pursuant to subsection 4.4 by attaching one or more supplementary addenda to such Schedules.

4.1 Scope

4.1.1 Section 4 describes architecture for Interconnection of the Parties' facilities and equipment over which the Parties shall configure the following separate and distinct trunk groups:

Traffic Exchange Trunks for the transmission and routing of terminating Local Traffic and IntraLATA Toll Traffic between their respective Telephone Exchange Service customers pursuant to Section 251 (c)(2) of the Act, in accordance with Section 5 below;

Access Toll Connecting Trunks for the transmission and routing of Exchange Access traffic between MFS Telephone Exchange Service customers and purchasers of BA's Switched Exchange Access Service via a BA Access Tandem, pursuant to Section 251(c)(2) of the Act, in accordance with Section 6 below;

Information Services Trunks for the transmission and routing of terminating Information Services Traffic in accordance with Section 7 below;

LSV/VCI Trunks for the transmission and routing of terminating LSV/VCI traffic, in accordance with Section 7 below;

911/E911 Trunks for the transmission and routing of terminating E911/911 traffic, in accordance with Section 7 below;

Directory Assistance Trunks for the transmission and routing of terminating directory assistance traffic, in accordance with subsection 19.4 below; and

Operator services (call completion) Trunks for the transmission and routing of terminating call completion traffic, in accordance with subsection 19.4 below.

4.1.2 The SONET interconnection arrangement described in subsection 4.2 shall be (i) used only for the termination of Local Traffic and IntraLATA Toll Traffic until such time as the Parties have agreed to appropriate compensation arrangements relating to the exchange of other types of traffic over such system, and (ii) subject to the Parties' reaching agreement on an appropriate compensation arrangement in the event either Party will be providing or utilizing (in terms of minutes of use) significantly more than one-half of the SONET facility. Unless otherwise agreed to by the Parties, the SONET system described herein shall not be used to exchange InterLATA Toll Traffic. Until the SONET system has

been established by the Parties in accordance with subsection 4.3 and this subsection 4.1.2, the Parties agree to adopt an initial interconnection architecture for the exchange of Local Traffic and Toll (IntraLATA and InterLATA) Traffic.

4.1.3 To the extent required by Section 251 of the Act, the Parties represent that the arrangements provided in subsections 4.2 and 4.3 of this Agreement provide for Interconnection to each other's networks at any technically feasible point. For the purposes of this Agreement, the Parties agree that Interconnection for the transport and termination of traffic may take place, in the case of BA, at a terminating End Office, an Access Tandem, a Local Serving Wire Center and/or other points as specified herein, and, in the case of MFS, at a node or Central Office and/or other points as specified herein (collectively, the "Interconnection Points" or "IPs").

4.1.4 The Parties shall establish physical interconnection points at the available IPs at the locations designated in Schedule 4.0. The mutually agreed-upon IPs on the MFS network at which MFS will provide transport and termination of traffic shall be designated as the MFS Interconnection Points ("M-IPs"); the mutually agreed-upon IPs on the BA network shall be designated as the BA Interconnection Points ("BA-IPs"), provided that, for the purpose of charging for the transport of traffic from the BA-IP to the M-IP in any given LATA, the M-IP shall be no further than an entrance facility away from the BA-IP in such LATA. The Parties may by mutual agreement establish additional interconnection points at any technically feasible points consistent with the Act.

4.2 **Physical Architecture.** In each LATA identified on Schedule 4.0, MFS and Bell Atlantic shall jointly engineer and operate a diverse Synchronous Optical Network ("SONET") transmission system by which they shall interconnect their networks pursuant to the joint network reconfiguration and grooming plan specified in subsection 10.1 ("Joint Grooming Plan"), and according to the following specifications:

4.2.1 The SONET system shall be used to deliver appropriate traffic to a mutually agreed-upon Interconnection Point on each Party's network.

4.2.2 The SONET transmission system in each LATA shall be configured substantially as illustrated in Schedule 4.2 and pursuant to the Joint Grooming Plan, or as otherwise mutually agreed. The Parties shall agree upon which Party or Parties shall be responsible for procuring, installing, and maintaining the agreed-upon Optical Line Terminating Multiplexor ("OLTM") equipment, fiber optic facilities and other equipment pursuant to the Joint Grooming Plan, as illustrated in that Schedule.

4.2.3 The physical interface of MFS's and BA's facilities necessary to effect SONET transmission shall be at the optical level via a Mid-Span Meet or other comparable means, or as otherwise mutually agreed.

4.3 Initial Architecture

4.3.1 The Parties agree to provide initial interconnection arrangements utilizing electrical handoffs, substantially as illustrated in Schedule 4.3, for a period of no more than eighteen (18) months after the later of the Effective Date and the LATA Start Date set forth for the LATA in Schedule 3.0; provided, however, that such initial interconnection arrangements shall continue until (i) facilities suitable for the SONET arrangements described in subsection 4.2 are established by each of the Parties in its own sole discretion in the LATA at the mutually agreed-upon SONET meet points and made available, and (ii) the Parties have agreed upon fully compatible OLT equipment for use with such facilities.

4.3.2 The Parties agree to utilize the M-IP and BA-IP in each LATA as designated in Schedule 4.0 as the points from which each Party will provide the transport and termination of traffic.

4.3.3 MFS shall provide its own facilities for the delivery of traffic to a collocation arrangement established at the BA-IP pursuant to Section 13. Bell Atlantic shall provide transport and termination of the traffic beyond the BA-IP.

4.3.4 BA shall purchase an MFS entrance facility (and any necessary multiplexing) from the BA-IP to the M-IP for the delivery of traffic to the M-IP. Alternatively, BA may choose to provide its own facilities to a collocation arrangement established at the M-IP pursuant to Section 13. MFS shall provide transport and termination of the traffic beyond the M-IP.

4.3.5 Under this initial architecture described in this subsection 4.3, either Party may utilize the Traffic Exchange Trunks for the termination of its InterLATA Toll Traffic in accordance with the terms contained in Section 5 below and pursuant to the other Party's Switched Exchange Access Service tariffs. The other Party's Switched Exchange Access Service rates shall apply to such Traffic. Such InterLATA Toll Traffic may not be routed over the trunk groups under the SONET architecture described in subsection 4.2, however, unless specifically agreed to by the Parties.

4.4 Interconnection in Additional LATAs

4.4.1 If MFS determines to offer Telephone Exchange Services in any LATA not listed in Schedule 3.0 in which BA also offers Telephone Exchange Services, MFS shall provide written notice to BA of the need to establish Interconnection in such LATA pursuant to this Agreement.

4.4.2 The notice provided in subsection 4.4.1 shall include (i) the initial Routing Point MFS has designated in the new LATA; (ii) MFS's requested Interconnection Activation Date (and related milestone dates in accordance with the format in Schedule 3.0); and (iii) a non-binding forecast of MFS's trunking requirements.

4.4.3 Unless otherwise agreed to by the Parties, the Parties shall designate the Wire Center MFS has identified as its initial Routing Point in the LATA as the M-IP in that LATA and shall designate a mutually agreed BA Local Serving Wire Center that houses an Access Tandem Office within the LATA nearest to the M-IP (as measured in airline miles utilizing the V&H coordinates method) as the BA-IP in that LATA, provided that, for the purpose of charging for the transport of traffic from the BA-IP to the M-IP, the M-IP shall be no further than an entrance facility away from the BA-IP.

4.4.4 The Parties shall agree upon an addendum to Schedule 3.0 to reflect the schedule applicable to each new LATA requested by MFS; provided, however, that unless agreed by the Parties, the Interconnection Activation Date in a new LATA shall not be earlier than forty-five (45) days after receipt by BA of all complete and accurate trunk orders and routing information. Within ten (10) business days of BA's receipt of MFS's notice, BA and MFS shall confirm the BA-IP, the M-IP and the Interconnection Activation Date for the new LATA by attaching an addendum to Schedule 3.0.

4.5 **Interconnection Points for Different Types of Traffic.** Each Party shall make available Interconnection Points and facilities for routing of traffic from those Interconnection Points as designated in Schedule 4.5. Any additional traffic that is not covered in Schedule 4.5 shall be subject to separate negotiations between the Parties, except that (i) either Party may deliver traffic of any type or character to the other Party for termination as long as the delivering Party pays the receiving Party's then current Switched Exchange Access rates for such traffic, and (ii) upon a bona fide request from either Party, the Parties will exercise all reasonable efforts to conclude an agreement covering the exchange of such traffic.

5.0 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC PURSUANT TO SECTION 251(c)(2)

5.1 **Scope of Traffic.** Section 5 prescribes parameters for trunk groups (the "Traffic Exchange Trunks") to be effected over the Interconnections specified in Section 4.0 for the transmission and routing of Local Traffic and IntraLATA Toll Traffic between the Parties' respective Telephone Exchange Service Customers.

5.2 Trunk Group Connections and Ordering

5.2.1 Trunk group connections will be made at a DS-1 level or higher for exchange of Local and Toll Traffic. Higher speed connections shall be made, when and where available, in accordance with the Joint Grooming Plan prescribed in Section 10. Ancillary Traffic trunk groups may be made below a DS-1 level, as may be agreed to by the Parties.

5.2.2 Each Party will identify its Carrier Identification Code, a three or four digit numeric obtained from Bellcore, to the other Party when ordering a trunk group.

5.3 Additional Switching System Hierarchy and Trunking Requirements

5.3.1 For purposes of routing MFS' traffic to BA, the subtending arrangements between BA Access Tandem Switches and BA End Office Switches shall be the same as the Access Tandem/End Office subtending arrangements BA maintains for the routing of its own or other carriers' traffic. For purposes of routing BA traffic to MFS, the subtending arrangements between MFS Access Tandem Switches (or functional equivalent) and MFS End Office Switches (or functional equivalent) shall be the same as the Access Tandem/End Office subtending arrangements (or functional equivalent) which MFS maintains for the routing of its own or other carriers' traffic.

5.4 Signaling

Each Party will provide the other Party with access to its databases and associated signaling necessary for the routing and completion of the other Party's traffic in accordance with the provisions contained in Section 17 below.

5.5 Grades of Service

The Parties shall initially engineer and shall jointly monitor and enhance all trunk groups consistent with the Joint Grooming Plan as set forth in Section 10.

5.6 Measurement and Billing

5.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on each call carried over the Traffic Exchange Trunks, whenever technically feasible. At such time as either Party has the ability, as the Party receiving the traffic, to use such CPN information to classify on an automated basis traffic delivered by the other Party as either Local Traffic or Toll Traffic, such receiving Party shall bill the originating Party the Local Traffic termination rates, Intrastate Exchange Access rates, or Interstate Exchange Access rates applicable to each minute of Traffic for which CPN is passed, as provided in Exhibit A and applicable Tariffs.

5.6.2 If, under the circumstances set forth in subsection 5.6.1, it is not technically feasible for the originating Party to pass CPN on up to ten percent (10%) of calls, the receiving Party shall bill the originating Party the Local Traffic termination rates, Intrastate Exchange Access rates, or Interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A and applicable Tariffs, for which CPN is passed. For the remaining up to ten percent (10%) of calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Local Traffic termination rates, Intrastate Exchange Access rates, or Interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.

5.6.3 If it is not technically feasible for the originating Party to pass CPN on more than ten percent (10%) of calls, or if the receiving Party lacks the ability to use CPN

information to classify on an automated basis traffic delivered by the other Party as either Local Traffic or Toll Traffic, and the originating Party chooses to combine Local and Toll Traffic on the same trunk group, it will supply an auditable Percent Local Use ("PLU") report quarterly, based on the previous three months' traffic, and applicable to the following three months. If the originating Party also chooses to combine Interstate and Intrastate Toll Traffic on the same trunk group, it will supply an auditable Percent Interstate Use ("PIU") report quarterly, based on the previous three months' terminating traffic, and applicable to the following three months. In lieu of the foregoing PLU and/or PIU reports, the Parties may agree to provide and accept reasonable surrogate measures for an agreed-upon interim period.

5.6.4 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds.

5.7 Reciprocal Compensation Arrangements -- Section 251(b)(5).

Reciprocal Compensation arrangements address the transport and termination of Local Traffic. BA's delivery of Traffic to MFS that originated with a third carrier is addressed in subsection 7.3. Where MFS delivers Traffic (other than Local Traffic) to BA, except as may be set forth herein or subsequently agreed to by the Parties, MFS shall pay BA the same amount that such carrier would have paid BA for termination of that Traffic at the location the Traffic is delivered to BA by MFS. Compensation for the transport and termination of traffic not specifically addressed in this subsection 5.7 shall be as provided elsewhere in this Agreement, or if not so provided, as required by the Tariffs of the Party transporting and/or terminating the traffic.

5.7.1 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

5.7.2 The Parties shall compensate each other for transport and termination of Local Traffic in an equal and symmetrical manner at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto) or, if not set forth therein, in the applicable Tariff(s) of the terminating Party, as the case may be. These rates are to be applied at the M-IP for traffic delivered by BA, and at the BA-IP for traffic delivered by MFS. No additional charges, including port or transport charges, shall apply for the termination of Local Traffic delivered to the BA-IP or the M-IP, except as set forth in Exhibit A. When Local Traffic is terminated over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the Toll Traffic shall be prorated to be applied only to the Toll Traffic.

5.7.3 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service. All Switched Exchange Access Service and all Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state Tariffs.

5.7.4 Compensation for transport and termination of all Traffic which has

been subject to performance of INP by one Party for the other Party pursuant to Section 14 shall be as specified in subsection 14.5.

5.7.5 The designation of Traffic as Local or Toll for purposes of compensation shall be based on the actual originating and terminating points of the complete end-to-end call, regardless of the carrier(s) involved in carrying any segment of the call.

5.7.6 Each Party reserves the right to measure and audit all Traffic to ensure that proper rates are being applied appropriately. Each Party agrees to provide the necessary Traffic data or permit the other Party's recording equipment to be installed for sampling purposes in conjunction with any such audit.

5.7.7 The Parties will engage in settlements of alternate-billed calls (e.g. collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in Maryland in accordance with the terms of an appropriate billing services agreement for intraLATA intrastate alternate-billed calls or such other arrangement as may be agreed to by the Parties.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(c)(2).

6.1 Scope of Traffic

Section 6 prescribes parameters for certain trunks to be established over the Interconnections specified in Section 4 for the transmission and routing of traffic between MFS Telephone Exchange Service Customers and Interexchange Carriers ("Access Toll Connecting Trunks"). This includes casually-dialed (10XXX and 101XXXX) traffic.

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 MFS shall establish Access Toll Connecting Trunks by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic to and from MFS's Customers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow MFS's Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to an BA Access Tandem.

6.2.3 The Access Toll Connecting Trunks shall be two-way trunks connecting an End Office Switch MFS utilizes to provide Telephone Exchange Service and Switched Exchange Access in a given LATA to an Access Tandem BA utilizes to provide Exchange Access in such LATA.

6.2.4 The Parties shall jointly determine which BA Access Tandem(s) will be subtended by each MFS End Office Switch. MFS's End Office switch shall subtenant the BA Access Tandem that would have served the same rate center on BA's network. Alternative configurations will be discussed as part of the Joint Plan.

6.3 Meet-Point Billing Arrangements

6.3.1 MFS and BA will establish Meet-Point Billing arrangements in order to provide a common transport option to Switched Access Services Customers via an Access Tandem Switch in accordance with the Meet-Point Billing guidelines contained in the OBF's MECAB and MECOD documents, except as modified herein, and BA's Maryland PSC Number 217, Section 2.4.8. The arrangements described in this Section 6 are intended to be used to provide Switched Exchange Access Service that originates and/or terminates on a Telephone Exchange Service that is provided by either Party, where the transport component of the Switched Exchange Access Service is routed through a Tandem Switch that is provided by BA.

6.3.2 In each LATA, the Parties shall establish MPB arrangements between the applicable Rating Point/BA Local Serving Wire Center combinations.

6.3.3 Interconnection for the MPB arrangement shall occur at the BA-IP in the LATA, unless otherwise agreed to by the Parties.

6.3.4 MFS and BA will use reasonable efforts, individually and collectively, to maintain provisions in their respective state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") tariff No. 4, or any successor Tariff sufficient to reflect the MPB arrangements established pursuant to this Agreement.

6.3.5 Each Party shall implement the "Multiple Bill/Single Tariff" or "Multiple Bill/Multiple Tariff" option, as appropriate, in order to bill an IXC for the portion of the jointly provided telecommunications service provided by that Party.

6.3.6 The rate elements to be billed by each Party are as set forth in Schedule 6.3. The actual rate values for each Party's affected access service rate element shall be the rates contained in that Party's own effective federal and state access tariffs, or other document that contains the terms under which that Party's access services are offered. The MPB billing percentages for each Rating Point/BA Local Serving Wire Center combination shall be calculated in accordance with the formula set forth in subsection 6.3.16 below.

6.3.7 Each Party shall provide the other Party with the billing name, billing address, and Carrier Identification Code ("CIC") of the IXC, and identification of the IXC's Local Serving Wire Center in order to comply with the MPB notification process as outlined in the MECAB document via facsimile or such other media as the Parties may agree to.

6.3.8 BA shall provide MFS with the Switched Access Detail Usage Data (category 1101XX records) on magnetic tape or via such other media as the Parties may agree to,

no later than ten (10) business days after the date the usage occurred.

6.3.9 MFS shall provide BA with the Switched Access Summary Usage Data (category 1150XX records) on magnetic tape or via such other media as the Parties may agree, no later than ten (10) business days after the date of its rendering of the bill to the relevant IXC, which bill shall be rendered no less frequently than monthly.

6.3.10 Each Party shall coordinate and exchange the billing account reference ("BAR") and billing account cross reference ("BACR") numbers or Operating Company Name ("OCN"), as appropriate, for the MPB Service. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number, or if the OCN changes.

6.3.11. Errors may be discovered by MFS, the IXC or BA. Each Party agrees to provide the other Party with notification of any errors it discovers within two (2) business days of the date of such discovery. In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data and, if such reconstruction is not possible, shall accept a reasonable estimate of the lost data based upon prior usage data.

6.3.12 Either Party may request a review or audit of the various components of access recording up to a maximum of two (2) audits per calendar year. All costs associated with each review and audit shall be borne by the requesting Party. Such review or audit shall be conducted subject to confidentiality protection and during regular business hours. A Party may conduct additional audits, at its expense, upon the other Party's consent, which consent shall not be unreasonably withheld.

6.3.13. Nothing contained in this subsection 6.3. shall create any liability for damages, losses, claims, costs, injuries, expenses or other liabilities whatsoever on the part of either Party (other than as may be set forth in MECAB or in any applicable Tariff).

6.3.14. The Parties shall not charge one another for the services rendered or information provided pursuant to this subsection 6.3.

6.3.15 MPB will apply for all traffic bearing the 500, 900, 800/888 (to the extent provided by an IXC) or any other non-geographic NPA which may be likewise designated for such traffic in the future.

6.3.16 In the event MFS determines to offer Telephone Exchange Services in another LATA in which BA operates an Access Tandem Switch, BA shall permit and enable MFS to sublend the BA Access Tandem Switch(es) designated for the BA End Offices in the area where the MFS Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Exchange Access Services are homed. The MPB billing percentages for each new Rating Point/BA Local Serving Wire Center combination shall be calculated according to the following formula:

$$a / (a + b) = \text{MFS Billing Percentage}$$

and
$$b / (a + b) = \text{BA Billing Percentage}$$
where:

a = the airline mileage between the Rating Point and the actual point of interconnection for the MPB arrangement; and

b = the airline mileage between the BA Local Serving Wire Center and the actual point of interconnection for the MPB arrangement.

MFS shall inform BA of the LATA in which it intends to offer Telephone Exchange Services and its calculation of the billing percentages which should apply for such arrangement, as part of the notice required by subsection 4.4.1 above. Within ten (10) business days of MFS's delivery of notice to BA, BA and MFS shall confirm the new Rating Point/BA Local Serving Wire Center combination and billing percentages. Nothing in this subsection 6.3.16 shall be construed to limit MFS's ability to select to interconnect with BA in additional LATAs by means of Interconnection at a Local Serving Wire Center, to the extent that such Interconnection is permitted under this Agreement.

6.4 800/888 Traffic

The following terms shall apply when either Party delivers 800/888 calls to the other Party for completion.

6.4.1. When MFS delivers untranslated 800/888 calls to BA for completion

- (a) to an IXC, BA shall:
 - (i) Provide a MPB record in an industry standard format to MFS; and
 - (ii) Bill the IXC the appropriate BA query charge associated with the call.
- (b) as an IntraLATA call to BA or another LEC in the LATA, BA

shall

- (i) Provide a copy record in an industry standard format to MFS;
- (ii) Bill MFS the appropriate BA query charge associated with the call; and
- (iii) Submit the call records to ITORP for payment by BA or

the LEC that is the 800/888 service provider of MFS's and any intermediate LEC's Tariffed Exchange Access charges and query charges.

6.4.2 When BA delivers 800/888 calls originated by BA's or another LEC's Customers to MFS for completion

- (a) to MFS in its capacity as an IXC, BA shall:
 - (i) Bill MFS the appropriate BA query charge associated with the call; and
 - (ii) Bill MFS the appropriate FGD Exchange Access charges associated with the call.
- (b) as an IntraLATA call to MFS in its capacity as a LEC
 - (i) BA shall submit the appropriate call records to ITORP for payment by MFS of BA's (and another LEC's, if appropriate) Tariffed Exchange Access charges; and
 - (ii) MFS shall pay the originating LEC's appropriate query charge associated with the call.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 Information Services Traffic

The following provisions shall apply only to MFS-originated Information Services Traffic directed to an information services platform connected to BA's network. At such time as MFS connects Information Services platforms to its network, the Parties shall agree upon a suitable arrangement for BA-originated Information Services Traffic.

7.1.1 MFS shall route Information Services Traffic that originates on its own network to the appropriate information services platform(s) connected to BA's network. MFS will establish a dedicated trunk group to the BA information services serving switch. This trunk group will be utilized to allow MFS to route information service traffic originated on its network to BA.

7.1.2 MFS shall provide an electronic file transfer or monthly magnetic tape containing recorded call detail information to BA.

7.1.3 BA shall provide to MFS via electronic file transfer or magnetic tape or other means as available all necessary information to rate the Information Services Traffic to

MFS's Customers pursuant to the BA's agreements with each information services provider. Information shall be provided in as timely a fashion as practical in order to facilitate record review and reflect actual prices set by the individual information services providers.

7.1.4 MFS shall bill and collect such information services provider charges and remit the amounts collected to BA less:

(a) The Information Services Billing and Collection fee set forth in Exhibit A; and

(b) An uncollectibles reserve calculated based on the uncollectibles reserve in BA's billing and collection agreement with the applicable information services provider; and

(c) Customer adjustments provided by MFS.

MFS shall provide to BA sufficient information regarding uncollectibles and Customer adjustments to allow BA to pass through the adjustments to the information services provider, and BA shall pass through such adjustments. However, if the information services provider disputes such adjustments and refuses to accept such adjustments, MFS shall reimburse BA for all such disputed adjustments. Final resolution regarding all disputed adjustments shall be solely between MFS and the information services provider.

7.1.5 Nothing in this Agreement shall restrict either Party from offering to its Telephone Exchange Service Customers the ability to block the completion of Information Service Traffic.

7.1.6 The Parties may agree to separate arrangements for the billing and compensation of variable rated (e.g. 970, 540) information services.

7.1.7 The Information Services Traffic addressed herein does not include 555 traffic or similar traffic with AIN service interfaces.

7.2 LSV/VCI Traffic

7.2.1 Each Party shall offer LSV and VCI services to enable its Customers to verify and/or interrupt calls of the other Party's Customers. In such instances, the other Party shall accept and respond to LSV and VCI requests from the operator bureau of the requesting Party. Both the requesting Party (Party A) and the responding Party (Party B) shall perform in accordance with the terms set forth in this subsection 7.2 and pursuant to inter-Party rates to be agreed upon between the Parties.

7.2.2 The Party B operator shall only verify the status of the line (LSV) or interrupt the line to inform the called party that there is a call waiting. The Party B operator will not complete the telephone call of the Customer initiating the LSV/VCI request. The

Party B operator will only make one LSV/VCI attempt per Customer operator bureau telephone call, and the applicable charges apply whether or not the called party releases the line.

7.2.3 Each Party's operator bureau shall accept LSV and VCI inquiries from the operator bureau of the other Party in order to allow transparent provision of LSV/VCI Traffic between the Parties' networks.

7.2.4 Each Party shall route LSV/VCI Traffic inquiries over separate direct trunks (and not the Local/IntraLATA/InterLATA Trunks) established between the Parties' respective operator bureaus. Each Party shall offer interconnection for LSV/VCI traffic at its Local Serving Wire Center, operator services Tandem Office subtended by such Local Serving Wire Center, or other mutually agreed point in the LATA. Separate LSV/VCI trunks delivered at the Local Serving Wire Center will be directed to the operator services Tandem Office designated by Party B. Unless otherwise mutually agreed, the Parties shall configure LSV/VCI trunks over the Interconnection architectures in accordance with the terms of Section 4, consistent with the Joint Grooming Plan. Party A shall outpulse the appropriate NPA, ATC Code, and Routing Code (operator code) to Party B.

7.3 Transit Service

7.3.1 MFS shall exercise all reasonable efforts to enter into a reciprocal local traffic exchange arrangement (either via written agreement or mutual tariffs) with any wireless carrier, ITC, CLEC, or other LEC to which it sends, or from which it receives, local traffic that transits BA facilities over Traffic Exchange Trunks. If MFS fails to enter into such an arrangement as quickly as commercially reasonable following the Effective Date and to provide copies thereof to BA, but continues to utilize BA's Transit Service for the exchange of local traffic with such wireless carrier, ITC, CLEC, or other LEC, MFS shall, in addition to paying the rate set forth in Exhibit A for said Transit Service, pay BA any charges or costs such terminating third party carrier imposes or levies on BA for the delivery or termination of such Traffic, including any switched access charges, plus all reasonable expenses incurred by BA in delivering or terminating such Traffic and/or resulting from MFS's failure to secure said reciprocal local traffic exchange arrangement. BA will, upon request, provide MFS with all reasonable cooperation and assistance in obtaining such arrangements. The Parties agree to work cooperatively in appropriate industry fora to promote the adoption of reasonable industry guidelines relating to Transit Traffic.

7.3.2 Meet-Point Billing compensation arrangements as described in subsection 6.3 shall be utilized for compensation for the joint handling of Toll Traffic.

7.3.3 BA expects that most networks involved in Transit Traffic will deliver each call to each involved network with CCS and the appropriate Transactional Capabilities Application Part ("TCAP") message to facilitate full interoperability of those services supported by BA and billing functions. In all cases, each Party shall follow the Exchange Message Record ("EMR") standard and exchange records between the Parties and with the

terminating carrier to facilitate the billing process to the originating network.

7.3.4 Transit Traffic shall be routed over the Traffic Exchange Trunks described in Section 5 above.

7.4 911/E911 Arrangements

7.4.1 MFS will interconnect to the BA 911/E911 selective routers or 911 Tandem Offices, where available, which serve the areas in which MFS provides Telephone Exchange Services, for the provision of 911/E911 services and for access to all subtending Public Safety Answering Points ("PSAP"). In such situations, BA will provide MFS with the appropriate CLLI codes and specifications of the Tandem Office serving area. In areas where E911 is not available, MFS and BA will negotiate arrangements to connect MFS to the 911 service.

7.4.2 Path and route diverse interconnections for 911/E911 shall be made at the M-IP, the BA-IP, or other points as necessary and mutually agreed, and as required by law or regulation.

7.4.3 Upon request, BA will provide MFS with the following:

(a) an electronic interface, when available, through which MFS shall input and provide a daily update of 911/E911 database information related to appropriate MFS Customers. Until such time as an electronic interface is available, MFS shall provide BA with all appropriate 911 information such as name, address, and telephone number in writing for BA's entry into the 911 database system. Any 911-related data exchanged between the Parties shall conform to the National Emergency Number Association standards;

(b) a file containing the Master Street Address Guide ("MSAG"), as may be updated from time to time, for the exchanges or communities specified;

(c) a return of any MFS E911 data entry files containing errors, so that MFS may ensure the accuracy of the Customer records; and

(d) PSAP 911 Tandem information.

7.4.4 In cases where a Customer of one Party elects to discontinue its service and become the Customer of the other Party ("Party B") but desires to retain its original telephone number pursuant to an INP or PNP arrangement, Party B will outpulse the telephone number to which the call has been forwarded (i.e. the Customer's ANI) to the 911 Tandem Office. Party B will also provide the 911 database with both the forwarded number and the directory number, as well as the appropriate address information of the Customer.

7.4.5 BA and MFS will use their best efforts to facilitate the prompt, robust,

reliable and efficient interconnection of MFS systems to the 911/E911 platforms.

7.4.6 BA and MFS will work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs, or county or municipal coordinators may have regarding the 911/E911 arrangements. BA shall assist MFS in identifying the appropriate person in each municipality for the purpose of obtaining the ten-digit subscriber number of each PSAP.

7.4.7 The Parties acknowledge that the provision of INP, until PNP with full 911 compatability is available, creates a special need to have the Automatic Location Identification ("ALI") screen reflect two number: the "old" number and the "new" number assigned by MFS. The Parties acknowledge further the objective of including the five character Telephone Company Identification ("TCI") of the company that provides service to the calling line as part of the ALI display. Until such time as TCI is operational, however, BA and MFS agree to supply and use the three-letter Access Carrier Name Abbreviation ("ACNA") as the carrier identifier.

7.4.8 MFS will compensate BA for connections to its 911/E911 pursuant to Exhibit A.

7.4.9 MFS will comply with all applicable rules and regulations pertaining to the provision of 911/E911 services in Maryland.

7.5 Ancillary Traffic Generally Ancillary Traffic that may be terminated at a BA Local Serving Wire Center pursuant to subsection 4.5 above shall be subject to a separate transport charge for transport from the Local Serving Wire Center to the appropriate Tandem Office, as set forth in Exhibit A.

8.0 NUMBER RESOURCES, RATE CENTERS AND RATING POINTS

8.1 Nothing in this Agreement shall be construed to limit or otherwise adversely affect in any manner either Party's right to employ or to request and be assigned any Central Office (NXX) Codes pursuant to the Central Office Code Assignment Guidelines, as may be amended from time to time, or to establish, by Tariff or otherwise, Rate Centers and Rating Points corresponding to such NXX codes. Until such time as number administration is provided by a third party, BA shall provide MFS access to telephone numbers by assigning NXX codes to MFS in accordance with such Assignment Guidelines.

8.2 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. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities, except as expressly set forth in this Agreement.

8.3 Unless mandated otherwise by a Commission order, the Rate Center Areas will

be the same for each Party. During the term of this Agreement, MFS shall adopt the Rate Center Areas and Rate Center Points that the Commission has approved for BA, in all areas where BA and MFS service areas overlap, and MFS shall assign whole NPA-NXX codes to each Rate Center unless the LEC industry adopts alternative methods of utilizing NXXs in the manner adopted by the NANP.

8.4 MFS will also designate a Routing Point for each assigned NXX code. MFS shall designate one location for each Rate Center Area as the Routing Point for the NPA-NXXs associated with that Area, and such Routing Point shall be within the same LATAs as the Rate Center Area but not necessarily within the Rate Center Area itself.

8.5 Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended to, and nothing in this Agreement shall be construed to, in any way constrain MFS's choices regarding the size of the local calling area(s) that MFS may establish for its Customers, which local calling areas may be larger than, smaller than, or identical to, BA's local calling areas.

9.0 NETWORK MAINTENANCE AND MANAGEMENT; OUTAGES

9.1 The Parties will work cooperatively to install and maintain a reliable network. MFS and BA will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government) to achieve this desired reliability. In addition, the Parties will work cooperatively to apply sound network management principles to alleviate or to prevent congestion.

9.2 Each Party recognizes a responsibility to follow the standards that may be agreed to between the Parties and to employ characteristics and methods of operation that will not interfere with or impair the service or any facilities of the other or any third parties connected with or involved directly in the network of the other.

9.3 Interference or Impairment

If Party A reasonably determines that the characteristics and methods of operation used by Party B will or may interfere with or impair its provision of services, Party A shall have the right to discontinue Interconnection subject, however, to the following:

9.3.1 Party A shall have given Party B ten (10) days' prior written notice of interference or impairment or potential interference or impairment which specifies the time within which Party B is to correct the condition; and,

9.3.2 Party A shall have concurrently provided a copy of the notice provided to Party B under (a) above to the appropriate federal and/or state regulatory bodies.

9.3.3 Notice in accord with subsections 9.3.1 and 9.3.2 above shall not be

required in emergencies and Party A may immediately discontinue Interconnection if reasonably necessary to meet its obligations. In such case, however, Party A shall use all reasonable means to notify Party B and the appropriate federal and/or state regulatory bodies.

9.3.4 Upon correction of the interference or impairment, Party A will promptly renew the Interconnection. During such period of discontinuance, there will be no compensation or credit allowance by Party A to Party B for interruptions.

9.4 Repeated or Willful Noncompliance

9.4.1 The Interconnection provided hereunder may be discontinued by either Party upon thirty (30) days written notice to the other for repeated or willful violation of and/or a refusal to comply with this Agreement. The Party discontinuing will notify the appropriate federal and/or state regulatory bodies concurrently with the notice to the other Party of the prospective discontinuance.

9.5 Outage Repair Standard

In the event of an outage or trouble in any arrangement, facility, or service being provided by a Party hereunder, the providing Party will follow procedures for isolating and clearing the outage or trouble that are no less favorable than those that apply to comparable arrangements, facilities, or services being provided by the providing Party to any other carrier whose network is connected to that of the providing Party. MFS and BA may agree to modify those procedures from time to time based on their experience with comparable Interconnection arrangements with other carriers.

9.6 Notice of Changes – Section 251(c)(5).

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party's network, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

10. JOINT NETWORK RECONFIGURATION AND GROOMING PLAN; AND INSTALLATION, MAINTENANCE, TESTING AND REPAIR.

10.1 Joint Network Reconfiguration and Grooming Plan. On or before December 1, 1996, unless the Parties agree to a different date, MFS and BA shall jointly develop a grooming plan (the "Joint Plan") which shall define and detail, *inter alia*,

(a) modifications to the agreement on physical architecture consistent with the guidelines defined in Section 4;

(b) standards to ensure that Interconnection trunk groups experience a

grade of service, availability and quality which is comparable to that achieved on interoffice trunks within BA's network and in accord with all appropriate relevant industry-accepted quality, reliability and availability standards. Trunks provided by either Party for Interconnection services will be engineered using a design blocking objective of B.01;

(c) the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the trunk groups, including, but not limited to, standards and procedures for notification and discoveries of trunk disconnects;

(d) disaster recovery provision escalations;

(e) migration from one-way to two-way Interconnection Trunks upon mutual agreement of the Parties;

(f) actual meet point locations on the SONET system; and

(g) such other matters as the Parties may agree.

10.2 Installation, Maintenance, Testing and Repair. BA's standard intervals for Feature Group D Switched Exchange Access Services will be used for Interconnection. MFS shall meet the same intervals for comparable installations, maintenance, joint testing, and repair of its facilities and services associated with or used in conjunction with Interconnection or shall notify BA of its inability to do so and will negotiate such intervals in good faith. The Parties agree that the standards to be used by each Party for isolating and clearing any disconnections and/or other outages or troubles shall be no less favorable than those applicable to comparable arrangements, facilities, or services being provided by such Party to any other carrier whose network is connected to that of the providing Party.

10.3 Forecasting Requirements for Trunk Provisioning. Within sixty (60) days of executing this Agreement, MFS shall provide BA a one (1) year traffic forecast. This initial forecast will provide the amount of traffic to be delivered to each of BA's End Offices affected by the exchange of traffic. The forecast shall be updated and provided to BA on a quarterly basis, and include Access Carrier Terminal Location (ACTL), traffic type (local/toll, operator services, 911, etc.), code (identifies trunk group), A location/Z location (CLLI codes), interface type (e.g., DS1), and trunks in service each year (cumulative).

10.3.1 Initial Forecasts/Trunking Requirements. Because BA's trunking requirements will, at least during an initial period, be dependent on the customer segments and service segments within customer segments to whom MFS decides to market its services, BA will be largely dependent on MFS to provide accurate trunk forecasts for both inbound (from BA) and outbound (from MFS) traffic. BA will, as an initial matter and upon request, provide the same number of trunks to terminate local traffic to MFS as MFS provides to terminate local traffic to BA, unless MFS expressly identifies particular situations that are expected to produce traffic that is substantially skewed in either the inbound or outbound direction, in

which case BA will provide the number of trunks MFS suggests. Upon the establishment of any new set of trunks for traffic from BA to MFS, BA will monitor traffic for ninety (90) days, and will, as necessary at the end of that period, either augment trunks or disconnect trunks, based on the application of reasonable engineering criteria to the actual traffic volume experienced. If, after such 90-day period, BA has determined that the trunks are not warranted by actual traffic volumes, then, on ten (10) days' written notice, BA may hold MFS financially responsible for such trunks retroactive to the start of the 90-day period until such time as they are justified by actual traffic volumes, based on the application of reasonable engineering criteria. To the extent that BA requires MFS to install trunks for delivery of traffic to BA, MFS may apply the same procedures with respect to BA's trunking requirements.

11.0 UNBUNDLED ACCESS – SECTION 251(c)(3).

To the extent required of each Party by Section 251 of the Act, each Party shall offer to the other Party nondiscriminatory access to Network Elements on an unbundled basis at any technically feasible point. BA shall unbundle and separately price and offer Network Elements such that MFS will be able to lease and interconnect to whichever of the Network Elements MFS requires, and to combine the BA-provided elements with any facilities and services that MFS may itself provide, except that MFS shall not recombine Network Elements purchased from BA for use as a substitute for the purchase at wholesale rates of Telecommunications Services that BA provides unless otherwise mandated by the FCC or the Commission or agreed to by BA with other carriers.

11.1 Unbundled Local Loop ("ULL") Transmission Types

Subject to subsection 11.4, BA shall allow MFS to access the following ULL types (in addition to those ULLs available under applicable tariffs) unbundled from local switching and local transport in accordance with the terms and conditions set forth in this subsection 11.1.

11.1.1 "2-Wire Analog Voice Grade ULL" or "Analog 2W" provides an effective 2-wire channel with 2-wire interfaces at each end that is suitable for the transport of analog voice grade (nominal 300 to 3000 Hz) signals and loop-start signaling. The service is more fully described in Bell Atlantic TR-72565. If "Customer-Specified Signaling" is requested, the service will operate with one of the following signaling types that may be specified when the service is ordered: loop-start, ground-start, loop-reverse-battery, and no signaling. The service is more fully described in Bell Atlantic TR-72570.

11.1.2 "4-Wire Analog Voice Grade ULL" or "Analog 4W" provides an effective 4-wire channel with 4-wire interfaces at each end that is suitable for the transport of analog voice grade (nominal 300 to 3000 Hz) signals. The service will operate with one of the following signaling types that may be specified when the service is ordered: loop-start, ground-start, loop-reverse-battery, duplex, and no signaling. The service is more fully described in Bell Atlantic TR-72570.

11.1.3 "2-Wire ISDN Digital Grade ULL" or "BRI ISDN" provides a channel with 2-wire interfaces at each end that is suitable for the transport of 160 kbps digital services using the ISDN 2B1Q line code.

11.1.4 "2-Wire ADSL-Compatible ULL" or "ADSL 2W" provides a channel with 2-wire interfaces at each end that is suitable for the transport of digital signals up to 6Mbps toward the Customer and up to 640 kbps from the Customer. BA will offer ADSL-Compatible ULLs only when the technology BA uses to provide such ULLs is compatible with that of MFS. In addition, ADSL-Compatible ULLs will be available only where existing copper facilities can meet applicable industry standards.

11.1.5 "2-Wire HDSL-Compatible ULL" or "HDSL 2W" provides a channel with 2-wire interfaces at each end that is suitable for the transport of 784 kbps digital signals simultaneously in both directions using the 2B1Q line code. HDSL compatible ULLs will be available only where existing copper facilities can meet the specifications.

11.1.6 "4-Wire HDSL-Compatible ULL" or "HDSL 4W" provides a channel with 4-wire interfaces at each end. Each 2-wire channel is suitable for the transport of 784 kbps digital signals simultaneously in both directions using the 2B1Q line code. HDSL compatible ULLs will be available only where existing copper facilities can meet the specifications.

11.1.7 ULLs will be offered on the terms and conditions specified herein and on such other terms in applicable Tariffs that are not inconsistent with the terms and conditions set forth herein. BA shall make ULLs available to MFS at the rates specified by the Commission, as amended from time to time, subject to the provisions of subsection 11.1.8 below.

11.1.8 BA will make Analog 2-Wire ULLs available for lease by MFS in accordance with the schedule set forth in Schedule 3.0. BA will make BRI ISDN and Analog 4W ULLs available for lease by MFS by the later of January 1, 1997, or the date when the ULL milestone contained in Schedule 3.0 is achieved in the LATA. BA will make ADSL 2W, HDSL 2W, and HDSL 4W ULLs available for lease by MFS as soon as practicable, but in any event no later than six months, after BA makes the services using equivalent loop facilities commercially available to its own end-user Customers in Maryland. Upon request by either BA or MFS, the Parties shall agree upon a reasonable schedule and location for a technical and operational trial(s) of ADSL 2W, HDSL 2W, and/or HDSL 4W ULLs. Such trial(s) may, by mutual agreement, be conducted in any jurisdiction in which affiliates of BA and MFS both operate. Upon successful completion of such trial(s), the Parties shall agree upon an implementation schedule for the ULL type(s) subject to such trial(s), which schedule shall begin no later than ninety (90) days after successful completion of such trial(s).

11.2 Port Types

BA shall make available to MFS unbundled 2-wire analog line and 2-wire analog trunk

Ports on the terms and conditions specified herein and on such other terms in applicable Tariffs that are not inconsistent with the terms and conditions set forth herein. BA will offer MFS Ports utilizing other technologies as they become available, upon bona fide request by MFS.

11.3 Trunk Side Local Transport

BA shall provide MFS local transport from the trunk side of BA's Central Office Switches using private lines and special access services unbundled from switching and other services in accordance with the terms and conditions of BA's existing or filed Tariffs, as referenced in Exhibit A.

11.4 Limitations on Unbundled Access

11.4.1 Unless otherwise mandated by the FCC or the Commission or agreed to by BA with other carriers, MFS may not cross-connect a BA-provided ULL to a BA-provided Port, but instead shall purchase a network access line under applicable tariffs.

11.4.2 BA shall only be required to make available ULLs and Ports where such ULLs and Ports are available.

11.4.3 MFS shall access BA's unbundled Network Elements specifically identified in this Agreement via Collocation in accordance with Section 13 at the BA Wire Center where those elements exist and each ULL or Port shall be delivered to MFS's Collocation by means of a Cross Connection.

11.4.4 BA shall provide MFS access to its Unbundled Local Loops at each of BA's Wire Centers for loops terminating in that Wire Center. In addition, if MFS requests one or more ULLs provisioned via Integrated Digital Loop Carrier or Remote Switching technology deployed as a ULL concentrator, BA shall, where available, move the requested ULL(s) to a spare, existing physical ULL at no additional charge to MFS. If, however, no spare physical ULL is available, BA shall within three (3) business days of MFS's request notify MFS of the lack of available facilities. MFS may then at its discretion make a Network Element Bona Fide Request to BA to provide the Unbundled Local Loop through the demultiplexing of the integrated digitized ULL(s). MFS may also make a Network Element Bona Fide Request for access to Unbundled Local Loops at the ULL concentration site point. Alternatively, MFS may choose to avail itself of BA's Special Construction services, as set forth in Exhibit A, for the provisioning of such ULL(s). Notwithstanding anything to the contrary in this Agreement, the provisioning intervals set forth in subsection 11.6 and the Performance Criteria and Performance Interval Dates set forth in subsection 27.1 and Schedule 27, respectively, shall not apply to ULLs provided under this subsection 11.4.4.

11.4.5 If MFS orders a ULL type and the distance requested on such ULL exceeds the transmission characteristics in applicable technical references, distance extensions may be required and additional rates and charges shall apply as set forth in Exhibit A or applicable Tariffs.

11.4.6 BA will exercise all reasonable efforts to ensure that the service intervals that apply to ULLs and unbundled Ports are comparable to the (i) repair intervals that apply to the bundled dial tone line service, and (ii) installation intervals that apply to other BA-coordinated services, except as provided in Section 27. Although BA will make commercially reasonable efforts to ensure that ULLs and unbundled ports meet specified or agreed-upon technical standards, BA makes no warranty that the ULLs or unbundled Ports supplied by BA hereunder will be compatible with the services MFS may offer to its Customers if they are used in a manner not contemplated by the Parties.

11.5 Availability of Other Network Elements on an Unbundled Basis

11.5.1 BA shall, upon request of MFS, and to the extent technically feasible, provide to MFS access to its Network Elements on an unbundled basis for the provision of MFS's Telecommunications Service. Any request by MFS for access to an BA Network Element that is not already available shall be treated as a Network Element Bona Fide Request. MFS shall provide BA access to its Network Elements as mutually agreed by the Parties or as required by the Commission or FCC.

11.5.2 A Network Element obtained by one Party from the other Party under this subsection 11.5 may be used in combination with the facilities of the requesting Party only to provide a Telecommunications Service, including obtaining billing and collection, transmission, and routing of the Telecommunications Service.

11.5.3 Notwithstanding anything to the contrary in this subsection 11.5, a Party shall not be required to provide a proprietary Network Element to the other Party under this subsection 11.5 except as required by the Commission or FCC.

11.6 Provisioning of Unbundled Local Loops

The following coordination procedures shall apply for conversions of "live" Telephone Exchange Services to ULLs. These and other mutually agreed-upon procedures shall apply reciprocally for the "live" cutover of Customers from BA to MFS and from MFS to BA.

11.6.1 Upon request by MFS, BA will apply the following coordination procedures to conversions of live Telephone Exchange Services to ULLs. Coordinated cutover charges will apply to any such arrangement, only to the extent provided by Section A.4.a of Exhibit A. If MFS elects not to request coordinated cutover, BA will process MFS's request in the normal course and subject to the normal installation intervals.

11.6.2 MFS shall request ULLs from BA by delivering to BA a valid electronic transmittal service order (when available) or another mutually agreed-upon type of service order. Such service order shall be provided in accordance with industry format and specifications or such format and specifications as may be agreed to by the Parties. Within forty-eight (48) hours of BA's receipt of such valid service order, BA shall provide MFS the

firm order commitment date according to the Performance Interval Dates set forth in Schedule 27 by which the ULLs covered by such service order will be installed. In addition, BA shall provide MFS with the related ULL design information, if available, at least forty-eight (48) hours prior to the scheduled cutover time.

11.6.3 On each ULL order in a Wire Center, MFS and BA will agree on a cutover time at least forty eight (48) hours before that cutover time. The cutover time will be defined as a 15-30 minute window within which both the MFS and BA personnel will make telephone contact to complete the cutover.

11.6.4 Within the appointed 15-30 minute cutover time, the MFS person will call the BA organization designated to coordinate cross-connection work and when the BA organization is reached in that interval such work will be promptly performed.

11.6.5 If MFS requires a change in scheduling, it must contact BA to issue a supplement to the original order. The negotiations process to determine the date and time of cutover will then be reinitiated as usual.

11.6.6 If the MFS person is not ready within the appointed interval and if MFS had not called to reschedule the work at least two (2) hours prior to the start of the interval, MFS shall be liable for the non-recurring charge for the unbundled elements scheduled for the missed appointment. In addition, non-recurring charges for the rescheduled appointment will apply.

11.6.7 If BA is not available or not ready at any time during the appointed 15-30 minute interval, MFS and BA will reschedule and BA will waive the non-recurring charge for the unbundled elements originally scheduled for that interval, whenever those unbundled elements are actually cut over pursuant to an agreed-upon rescheduling.

11.6.8 The standard time expected from disconnection of a live Telephone Exchange Service to the connection of the unbundled element to the MFS Collocation Arrangement is fifteen (15) minutes per voice grade circuit for all orders consisting of fifteen (15) ULLs or less. Orders involving more than fifteen (15) ULLs will require a negotiated interval.

11.6.9 If unusual or unexpected circumstances prolong or extend the time required to accomplish the coordinated cutover, the Party responsible for such circumstances is responsible for the reasonable labor charges of the other Party. Delays caused by the Customer are the responsibility of MFS.

11.6.10 If MFS has ordered INP as part of an ULL installation, BA will coordinate implementation of INP with the ULL installation. BA's provision of unbundled elements shall in all cases be subject to the availability of suitable facilities, to the extent permitted by Section 251 of the Act.

11.6.11 If MFS requests or approves a BA technician to perform services on the network side of the Rate Demarcation Point beyond normal installation of the ULLs covered by the service order, BA may charge MFS for any additional and reasonable labor charges to perform such services. BA may also charge MFS its normal overtime rates for services MFS requests to be performed outside of BA's normal business hours (M-F, 9 am to 5 pm, E.S.T.).

11.7 Maintenance of Unbundled Local Loops

If (i) MFS reports to BA a Customer trouble, (ii) MFS requests a dispatch, (iii) BA dispatches a technician, and (iv) such trouble was not caused by BA's facilities or equipment, then MFS shall pay BA a per-trip charge and labor charges per quarter hour increments for time associated with said dispatch, as set forth in Exhibit A. In addition this charge also applies in situations when the Customer contact as designated by MFS is not available at the appointed time. MFS accepts responsibility for initial trouble isolation and providing BA with appropriate dispatch information based on their test results. If, as the result of MFS instructions, BA is erroneously requested to dispatch within the Central Office, BA may levy on MFS an appropriate charge.

11.8 Rates and charges

BA shall charge the non-recurring and monthly recurring rates for unbundled Local Loops and other Network Elements set forth in Exhibit A.

12.0 RESALE -- SECTIONS 251(c)(4) and 251(b)(1).

12.1 Availability of Retail Rates for Resale

Each Party shall make available its Telecommunications Services for resale at retail rates to the other Party in accordance with Section 251(b)(1) of the Act.

12.2 Availability of Wholesale Rates for Resale

BA shall make available to MFS for resale at the wholesale rates set forth in Exhibit A all Telecommunications Services that BA provides at retail to Customers that are not Telecommunications Carriers. Such services shall be provided in accordance with the terms of the applicable retail services Tariff(s), including, without limitation, user or user group restrictions, as the case may be, subject to the requirement that such restrictions shall in all cases comply with the requirements of Section 251 of the Act regarding restrictions on resale. In addition, BA and MFS shall each allow the resale by the other of all Telecommunications Services that are offered primarily or entirely to other Telecommunications Carriers (e.g., Switched and special Exchange Access Services) at the rates already applicable to such services. BA shall also allow the resale by MFS of such other non-Telecommunications Services as BA, in its sole discretion, determines to provide for resale under terms and conditions to be agreed to by the Parties. If MFS requests

resale at wholesale rates of Telecommunications Services that BA provides at retail to Customers that are not Telecommunications Carriers before April 1, 1997, the Parties shall negotiate and agree upon the terms and conditions for ordering, provisioning, billing, and maintaining such resale arrangements before MFS submits any orders for such resale, which terms and conditions are unlikely to rely on automated interfaces. During the period before April 1, 1997, the Parties shall negotiate and agree upon, in the form of a separate agreement to be appended hereto, resale arrangements to apply after that date. Such arrangements shall, to the extent feasible and economically reasonable, employ automated interfaces for ordering, provisioning, billing, and maintaining resold accounts. The Parties may also agree to negotiate term and/or volume discounts for resold services.

13.0 COLLOCATION – SECTION 251(c)(6).

13.1 BA shall offer to MFS Physical Collocation of equipment necessary for Interconnection (pursuant to Section 4) or for access to unbundled Network Elements (pursuant to Section 11.0), except that BA may offer only Virtual Collocation if BA demonstrates to the Commission that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. BA shall provide such Collocation solely for the purpose of Interconnection with facilities or services of BA or access to unbundled Network Elements of BA, except as otherwise mutually agreed to in writing by the Parties or as required by the FCC or the Commission, subject to applicable federal and state Tariffs.

13.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, MFS agrees to offer to BA Collocation (at MFS's option either Physical or Virtual) of equipment for purposes of Interconnection (pursuant to Section 4) on a non-discriminatory basis and at comparable rates, terms and conditions as MFS may provide to other third parties. MFS shall provide such Collocation subject to applicable Tariffs.

13.3 Where MFS is Virtually Collocated on the date hereof on a premise that was initially prepared for Physical Collocation for MFS, MFS may elect to (i) retain its Virtual Collocation in that premises, and/or (ii) establish Physical Collocation in that premises pursuant to current procedures and applicable Tariffs. BA will not assess to MFS non-recurring charges for central office common area construction to transition existing virtual collocation arrangements to physical collocation arrangements in offices where MFS previously paid such charges. BA will also waive cage construction charges for cages of the same size originally paid for by MFS. MFS shall coordinate with BA for rearrangement of MFS's equipment, facilities, and circuits. All applicable Physical Collocation recurring charges shall apply.

13.4 Where MFS is Virtually Collocated on the date hereof on a premise that was initially prepared for MFS as Virtual Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises, or (ii) unless it is not practical for technical reasons or because of space limitations, convert its Virtual Collocation at such premises to Physical Collocation, in

which case MFS shall coordinate the construction and rearrangement with BA of its equipment, facilities, and circuits, and for which MFS shall pay BA at applicable Tariff rates. In addition, all Physical Collocation recurring charges shall apply.

13.5 For both Physical Collocation and Virtual Collocation, the Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space, or in its virtually collocated equipment, at the Housing Party's premises as described in applicable Tariffs, and purchase Cross Connection to services or facilities as described in applicable Tariffs.

13.6 Collocation shall occur under the terms of each Party's applicable and available Tariffs. Collocation is offered for network Interconnection between the Parties. Unless otherwise agreed to by the Parties or either Party is required by applicable law to permit on its collocated premises, neither Party shall use a Collocation Arrangement to directly interconnect with a third party's equipment or facilities collocated at the same location.

SECTION 251(b) PROVISIONS

14.0 NUMBER PORTABILITY – SECTION 251(b)(2).

14.1 Scope

14.1.1 The Parties shall provide Local Telephone Number Portability ("LTNP") on a reciprocal basis to each other to the extent technically feasible, and in accordance with rules and regulations as from time to time prescribed by the FCC and/or the Commission.

14.1.2 Until Permanent Number Portability is implemented by the industry pursuant to regulations issued by the FCC and/or the Commission, the Parties agree to reciprocally provide Interim Number Portability to each other at the prices listed in Exhibit A. Such agreed-upon prices for INP are not intended to reflect either Party's views on the cost recovery mechanisms being considered by the FCC in its current proceeding on number portability issues.

14.1.3 Upon the agreement of the Parties or issuance of applicable FCC and/or Commission order(s) or regulations mandating the adoption of a Permanent Number Portability ("PNP") arrangement, BA and MFS will commence migration from INP to the agreed-upon or mandated PNP arrangement as quickly as practically possible while minimizing interruption or degradation of service to their respective Customers. Once PNP is implemented, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP Customer numbers to PNP. Upon implementation of PNP pursuant to FCC or Commission regulation, both Parties agree to conform and provide such PNP. To the extent PNP rates or cost recovery mechanisms are not established by the

applicable FCC or Commission order or regulation mandating the adoption of PNP, the Parties will negotiate in good faith the charges or cost recovery mechanism for PNP service at such time as a PNP arrangement is adopted by the Parties.

14.1.4 Under either an INP or PNP arrangement, MFS and BA will implement a process to coordinate LTNP cutovers with ULL conversions (as described in Section 11 of this Agreement).

14.2 Procedures for Providing INP Through Remote Call Forwarding

MFS and BA will provide INP through Remote Call Forwarding as follows:

14.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Telephone Exchange Service(s) it previously received from Party A, in conjunction with the Telephone Exchange Service(s) it will now receive from Party B. Upon receipt of a service order from Party B requesting assignment of the number(s) to Party B, Party A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Party B, only within the same Exchange Area as the original telephone number(s). Party A will route the forwarded traffic to Party B over the appropriate traffic exchange trunk groups.

14.2.2 Party B will become the customer of record for the original Party A telephone number(s) subject to the INP arrangements. Upon the execution of an appropriate billing services agreement or such other mutually agreed-upon arrangement between the Parties, Party A shall use its reasonable efforts to consolidate into as few billing statements as possible collect, calling card, and third-number billed calls associated with the number(s), with sub-account detail by retained number.

14.2.3 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers as directed by Party B. In addition, Party A will update the retained numbers in the LIDB with the screening options provided by Party B on a per order basis. Party B shall determine which of the screening options offered by Party A should apply to the Party B Customer account.

14.2.4 Party B will outpulse the telephone number to which the call has been forwarded to the 911 Tandem Office. Party B will also provide the 911 database with both the forwarded number and the directory number, as well as the appropriate address information of the Customer.

14.2.5 Party A shall be permitted to cancel INP arrangements and reassign the telephone number(s) upon receipt of notification from Party B or a third party that is authorized to act on behalf of the Customer. Party A shall provide notification to Party B of third party orders affecting the INP service of a Party B Customer. The Parties agree to work

cooperatively to develop procedures or adopt industry standards or practices concerning the initiation and termination of INP service in a multi-carrier environment.

14.2.6 The INP service offered herein shall not initially apply to NXX Codes 555, 915, 976, or 950, or for Feature Group A or coin telephone service. Upon request of either Party, provision of INP to these services will be mutually negotiated between the parties and provided to the extent feasible under negotiated rates, terms and conditions. INP shall not apply for any arrangement that would render the forwarded call Toll Traffic.

14.2.7 The ordering of INP arrangements and the exchange of screening information shall be made in accordance with industry-accepted (e.g. OBF developed) format and specifications to the extent they have been implemented by the Parties.

14.3 Procedures for Providing INP Through Direct Inward Dial Trunks (Flex-DID) Either Party may also request INP through Direct Inward Dial Trunks pursuant to any applicable Tariffs.

14.4 Procedures for Providing LTNP Through Full NXX Code Migration

Where either Party has activated an entire NXX for a single Customer, or activated a substantial portion of an NXX for a single Customer, with the remaining numbers in that NXX either reserved for future use by that Customer or otherwise unused, if such Customer chooses to receive Telephone Exchange Service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will be accomplished with appropriate coordination between the Parties and subject to appropriate industry lead-times for movements of NXXs from one switch to another. Neither Party shall charge the other in connection with this coordinated transfer.

14.5 Receipt of Terminating Compensation on Traffic to INP'ed Numbers

The Parties agree in principle that, under the INP arrangements described in subsections 14.2 and 14.3 above, terminating compensation on calls to INP'ed numbers should be received by each Customer's chosen LEC as if each call to the Customer had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the Customer's chosen LEC. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this subsection 14.5 whereby terminating compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for whose Customer the INP is provided.

14.5.1 The Parties shall individually and collectively make best efforts to track and quantify INP traffic between their networks based on the CPN of each call by identifying CPNs which are INP'ed numbers. The Receiving Party shall charge the Performing Party for each minute of INP traffic at the INP Traffic Rate specified in subsection 14.5.3 in lieu of any other compensation charges for terminating such traffic, except as provided in subsection

14.5.2.

14.5.2 By the Interconnection Activation Date in each LATA, the Parties shall jointly estimate for the prospective six months, based on historic data of all traffic in the LATA, the percentages of such traffic that, if dialed to telephone numbers bearing NPA-NXXs directly assigned to a Receiving Party (as opposed to the INP'ed number), would have been subject to (i) Reciprocal Compensation ("Recip Traffic"), (ii) appropriate intrastate FGD charges ("Intra Traffic"), (iii) interstate FGD charges ("Inter Traffic"), or (iv) handling as Transit Traffic. On the date which is six (6) months after the Interconnection Activation Date, and thereafter on each succeeding six month anniversary of such Interconnection Activation Date, the Parties shall establish new INP traffic percentages to be applied in the prospective six (6) month period, based on the Performing Party's choice of actual INP traffic percentages from the preceding six (6) month period or historic data of all traffic in the LATA.

14.5.3 The INP Traffic Rate shall be equal to the sum of:

(Recip Traffic percentage times the Reciprocal Compensation Rate set forth in Exhibit A)
plus
(Intra Traffic percentage times Receiving Party's effective intrastate FGD rates)
plus
(Inter Traffic percentage times Receiving Party's effective interstate FGD rates).

The Receiving Party shall compensate the Performing Party for its billing and collection of charges for the intrastate and interstate FGD access services provided by the Receiving Party to a third party through the greater of (i) the difference between the intrastate and interstate FGD rates of the Receiving Party and the Performing Party, or (ii) three percent (3%) of the Performing Party's intrastate and interstate FGD revenues for INP'ed numbers. Under no circumstances shall the Performing Party, in performing the billing and collections service on behalf of the Receiving Party, be obligated to pass through more than ninety seven percent (97%) of its FGD access charge to the Receiving Party in connection with any given INP'ed call.

14.6 Recovery of INP Costs Pursuant to FCC Order and Rulemaking

Notwithstanding anything to the contrary contained in this Section 14, in light of the FCC's First Report and Order and Further Notice of Proposed Rulemaking, adopted June 27, 1996, in CC Docket 95-116 (the "Order"), the Parties stipulate and agree as follows:

14.6.1 The rates listed in Exhibit A for the provision of INP are appropriate amounts that each Party providing INP service should recover for the provision of those INP functionalities in BA's operating territory. For the INP functions it provides, each Party should be allowed to recover these amounts in a manner consistent with any final FCC and/or Commission order on INP cost recovery (such as a state-wide fund contributed to by all telecommunications carriers).

14.6.2 Within three (3) weeks of the Effective Date, the Parties will jointly seek a Commission proceeding and ruling to develop and implement an INP cost recovery mechanism consistent with the policy described in the Order and/or any subsequent FCC or Commission decision.

14.6.3 Until such time as a final FCC and/or Commission order, pursuant to subsection 14.6.2 above, is implemented, each Party will provide INP service to the other Party at the INP rates listed in Exhibit A. All revenues received by the providing Party from its provision of INP service to the other Party shall be placed into an escrow fund maintained by or tracked separately by the providing Party. Upon issuance of a final FCC and/or Commission order, and to the extent that it permits the Party providing INP to recover the associated costs from a state-wide fund, the providing Party shall refund to the purchasing Party an amount equal to the amount it recovers from such fund for its provision of INP service to the purchasing Party from the Effective Date, provided that in no event shall the refund amount exceed the aggregate amount the providing Party has received from the purchasing Party for INP services. If no such fund is ordered or established, the providing Party shall retain the full amount of the revenues tracked or held in escrow by it pursuant to this subsection 14.6.3.

14.6.4 The Parties agree that neither Party waives its rights to advocate its views that are consistent with this subsection 14.6 on the appropriate INP cost recovery mechanism, or to present such views before any relevant regulatory body or other agency as they relate to FCC or Commission actions on INP cost recovery.

15.0 DIALING PARITY – SECTION 251(b)(3).

BA and MFS shall each provide the other with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement dialing parity for Telephone Exchange Service, operator services, directory assistance, and directory listing information with no unreasonable dialing delays, as required under Section 251(b)(3) of the Act.

16.0 ACCESS TO RIGHTS-OF-WAY – SECTION 251(b)(4).

Each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it owns or controls in conformance with 47 U.S.C. § 224, as set forth in Exhibit A, where facilities are available, on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable Tariffs. Where no such Tariffs exist, such access shall be provided in accordance with the requirements of 47 U.S.C. § 224, including any FCC regulations that may be issued. In addition, the Parties agree to review any existing rights-of-way arrangements between them in order to bring such arrangements into conformance with the requirements of 47 U.S.C. § 224 within ninety (90) days of the date hereof. In conducting such review and making the necessary conforming changes, if any, the Parties agree to consider the appropriateness of applying such changes on a retroactive basis to the date hereof. If the Parties

are unable to agree on the necessary changes to the existing arrangements or the appropriateness of applying them on a retroactive basis, the Parties may invoke the procedures set forth in subsection 29.9 below.

17.0 DATABASES AND SIGNALING.

17.1 Each Party shall provide the other Party with access to databases and associated signaling necessary for call routing and completion by providing SS7 Common Channel Signaling (CCS) Interconnection in accordance with existing Tariffs, and Interconnection and access to 800/888 databases, LIDB, and any other necessary databases in accordance with existing Tariffs and/or agreements with other unaffiliated carriers, as set forth in the Exhibit A. Alternatively, either Party may secure CCS Interconnection from a commercial SS7 hub provider, and in that case the other Party will permit the purchasing Party to access the same databases as would have been accessible if the purchasing party had connected directly to the other Party's CCS network.

17.2 The Parties will provide CCS Signaling to one another, where and as available, in conjunction with all Local Traffic, Toll Traffic, Meet Point Billing Traffic, and Transit Traffic. The Parties will cooperate on the exchange of TCAP messages to facilitate interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its Customers. All CCS Signaling parameters will be provided upon request (where available), including called party number, calling party number, originating line information, calling party category, and charge number. All privacy indicators will be honored. The Parties will follow all Ordering and Billing Forum-adopted standards pertaining to CIC/OZZ codes. Where CCS Signaling is not available, in-band multi-frequency (MF) wink start signaling will be provided. Any such MF arrangement will require a separate local trunk circuit between the Parties' respective switches. In such an arrangement, each Party will outpulse the full ten-digit telephone number of the called party to the other Party.

17.3 Each Party shall provide trunk groups, where available and upon reasonable request, that are configured utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

17.4 The following publications describe the practices, procedures and specifications generally utilized by BA for signaling purposes and is listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Signaling:

(a) Bellcore Special Report SR-TSV-002275, BOC Notes on the LEC Networks - Signaling; and

(b) Bell Atlantic Supplement Common Channel Signaling Network Interface Specification (BA-905).

17.5 Each Party shall charge the other Party mutual and reciprocal rates for CCS Signaling as follows: BA shall charge MFS in accordance with Exhibit A hereto and applicable Tariffs; MFS shall charge BA rates equal to the rates BA charges MFS, unless MFS's Tariffs for CCS signaling provide for lower generally available rates, in which case MFS shall charge BA such lower rates.

18.0 COORDINATED SERVICE ARRANGEMENTS.

18.1 **Intercept and Referral Announcements.** When a Customer changes its service provider from BA to MFS, or from MFS to BA, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the Customer's new number or provide other appropriate information to the extent known. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer to the extent the providing Party does not charge its own customers for such service, for a period of not less than four (4) months after the date the Customer changes its telephone number in the case of business Customers and not less than sixty (60) days after the date the Customer changes its telephone number in the case of residential Customers. However, if either Party provides Referral Announcements for different periods than the above respective periods when its Customers change their telephone numbers, such Party shall provide the same level of service to Customers of the other Party.

18.2 **Coordinated Repair Calls.** MFS and BA will employ the following procedures for handling misdirected repair calls:

18.2.1 MFS and BA will educate their respective Customers as to the correct telephone numbers to call in order to access their respective repair bureaus.

18.2.2 To the extent Party A is identifiable as the correct provider of service to Customers that make misdirected repair calls to Party B, Party B will immediately refer the Customers to the telephone number provided by Party A, or to an information source that can provide the telephone number of Party A, in a courteous manner and at no charge. In responding to misdirected repair calls, neither Party shall make disparaging remarks about the other Party, its services, rates, or service quality.

18.2.3 MFS and BA will provide their respective repair contact numbers to one another on a reciprocal basis.

18.3 **Customer Authorization.** In order for either Party to order or terminate service on behalf of the other Party's Customer, the requesting Party must have proper written authorization from the customer in its files, and provide a copy of such authorization to the other Party upon request. In the event the requesting Party (i) fails to provide a copy of the Customer's proper written authorization upon request, (ii) requests changes in the other Party's Customer's service without having such authorization in its files, or (iii) mistakenly changes the other Party's

Customer's service, the requesting Party shall be liable to the other Party for all charges that would be applicable to the Customer for restoring service to the other Party.

19.0 DIRECTORY SERVICES ARRANGEMENTS

BA will, upon request, provide the following directory services to MFS in accordance with the terms set forth herein. In this Section 19, references to a MFS Customer's "primary listing" shall mean such Customer's name, address, and main telephone number, which number falls within the NXX codes directly assigned to MFS or is retained by MFS on the Customer's behalf pursuant to LTNP arrangements with BA or any other carrier within the geographic area covered in the relevant BA directory.

19.1 Directory Listings and Directory Distributions

19.1.1 BA will include the MFS Customer's primary listing in its "White Pages" directory (residence and business listings) and "Yellow Pages" directory (business listings) that cover the address of the Customer. Listings of MFS's Customers will be interfiled with listings of BA's Customers and the Customers of other LECs included in the BA directories. MFS will pay BA a non-recurring charge as set forth in Exhibit A for providing such service for each MFS Customer's primary listing. MFS will also pay BA's Tariffed charges, as the case may be, for additional and foreign white page listings and other white pages services for MFS's Customers. BA will not require a minimum number of listings per order.

19.1.2 BA will also include the MFS Customer's primary listing in BA's directory assistance database on the same basis that BA's own Customers are included, as well as in any electronic directories in which BA's Customers are ordinarily included, for no charge other than the charges identified in subsection 19.1.1.

19.1.3 BA will distribute to MFS Customers copies of their primary white pages and yellow pages directories at the same time and on the same basis that BA distributes primary directories to its own Customers. BA will also deliver a reasonable number of such directories to MFS. These distributions will be made for no additional charge. MFS and its Customers may request additional directories from BA's Directory Fulfillment Centers, which Centers will provide such additional directories for the same charges applicable to comparable requests by BA Customers.

19.1.4 BA will include all MFS NXX codes associated with the areas to which each directory pertains, along with BA's own NXX codes in any maps or lists of such codes which are contained in the general reference portions of the directories. MFS's NXX codes shall appear in such maps or lists in the same manner as BA's NXX information.

19.1.5 MFS shall provide BA with daily listing information on all new MFS Customers in the format required by BA or a mutually-agreed upon industry standard format. The information shall include the Customer's name, address, telephone number, the delivery address

and number of directories to be delivered, and, in the case of a business listing, the primary business heading under which the business Customer desires to be placed, and any other information necessary for the publication and delivery of directories. MFS will also provide BA with daily listing information showing Customers that have disconnected or terminated their service with MFS. BA will provide MFS with confirmation of listing order activity within forty eight (48) hours.

19.1.6 BA will accord MFS's directory listing information the same level of confidentiality which BA accords its own directory listing information, and BA shall ensure that access to MFS's directory listing information will be used solely for the purpose of providing directory services; provided, however, that BA may use or license information contained in its directory listings for direct marketing purposes so long as the MFS Customers are not separately identified as such; and provided further that MFS may identify those of its Customers that request that their names not be sold for direct marketing purposes, and BA will honor such requests to the same extent as it does for its own Customers.

19.1.7 BA or BA's publisher shall provide MFS with a report of all MFS Customer listings ninety (90) days prior to directory publication in such form and format as may be mutually agreed to by both Parties. Both Parties shall use their best efforts to ensure the accurate listing of such information. BA will also provide MFS, upon request, a copy of the BA listings standards and specifications manual. In addition, BA will provide MFS with a listing of Yellow Pages headings and directory close schedules on an ongoing basis.

19.1.8 MFS will adhere to all practices, standards, and ethical requirements of BA with regard to listings, and, by providing BA with listing information, warrants to BA that MFS has the right to place such listings on behalf of its Customers. MFS agrees that it will undertake commercially practicable and reasonable steps to attempt to ensure that any business or person to be listed is authorized and has the right (i) to provide the product or service offered, and (ii) to use any personal or corporate name, trade name or language used in the listing.

19.1.9 BA's liability to MFS in the event of a BA error in or omission of a listing shall be subject to the same limitations that BA's liability to its own Customers are subject to. In addition, MFS agrees to take, with respect to its own Customers, all reasonable steps to ensure that its and BA's liability to MFS's Customers in the event of a BA error in or omission of a listing shall be subject to the same limitations that BA's liability to its own Customers are subject to.

19.2 Yellow Page Maintenance. The Parties agree to work cooperatively to ensure that Yellow Page advertisements purchased by Customers that switch their service to MFS (including Customers utilizing MFS-assigned telephone numbers and MFS Customers utilizing LTNP) are maintained without interruption. BA will allow MFS Customers to purchase new Yellow Pages advertisements without discrimination, under the identical rates, terms and conditions as apply to BA's Customers. BA and MFS may implement a commission program whereby MFS may, at MFS's sole discretion, act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS's Telephone Exchange Service Customers.

19.3 Service Information Pages. BA will include in the "Customer Guide" or comparable section of the applicable white pages directories listings provided by MFS for MFS's installation, repair and customer service and other essential service oriented information, as agreed by the Parties, including appropriate identifying logo. Such listings shall appear in the manner agreed to by the Parties. BA shall not charge MFS for inclusion of this essential service-oriented information, but reserves the right to impose charges on other information MFS may elect to submit and BA may elect to accept for inclusion in BA's white pages directories. BA will provide MFS with the annual directory close dates and reasonable notice of any changes in said dates.

19.4 Directory Assistance (DA); Call Completion

19.4.1 Upon request, BA will provide MFS with directory assistance and/or call completion services substantially in accordance with the terms set forth in the form Directory Assistance and Call Completion Services Agreement appended hereto as Exhibit C.

19.4.2 Also upon request, BA will provide to MFS operator services trunk groups, utilizing Feature Group D type signaling, with ANI, minus OZZ, when interconnecting to the BA operator services network.

20.0 COORDINATION WITH TARIFF TERMS

20.1 The Parties acknowledge that some of the services, facilities, and arrangements described herein are or will be available under and subject to the terms of the federal or state tariffs of the other Party applicable to such services, facilities, and arrangements. To the extent a Tariff of the providing Party applies to any service, facility, and arrangement described herein, the Parties agree as follows:

20.1.1 Those rates and charges set forth in Exhibit A for the services, facilities, and arrangements described herein that are designated with an asterisk shall remain fixed for the initial term of the Agreement, notwithstanding that such rates may be different from those contained in an effective, pending, or future Tariff of the providing Party (including any changes to such Tariff subsequent to the Effective Date). Those rates and charges for services, facilities, and arrangements that are not designated with an asterisk, and reference or are identical to a rate contained in an existing Tariff of the providing Party, shall conform with those contained in the then-prevailing Tariff and vary in accordance with any changes that may be made to the Tariff rates and charges subsequent to the Effective Date. Even the asterisked fixed rates and charges shall be changed to reflect any changes in the Tariff rates and charges they reference, however, if the Parties agree to adopt the changed Tariff rates and charges.

20.2 Except with respect to the rates and charges described in subsection 20.1 above, all other terms contained in an applicable Tariff of the providing Party shall apply in connection with its provision of the particular service, facility, and arrangement hereunder.

21.0 INSURANCE

21.1 MFS shall maintain, during the term of this Agreement, all insurance and/or bonds required by law and necessary to satisfy its obligations under this Agreement, including, without limitation, its obligations set forth in Section 25 hereof. At a minimum and without limiting the foregoing covenant, MFS shall maintain the following insurance:

- (a) Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least \$1,000,000 combined single limit for each occurrence.
- (b) Automobile Liability, Comprehensive Form, with limits of at least \$500,000 combined single limit for each occurrence.
- (c) Excess Liability, in the umbrella form, with limits of at least \$15,000,000 combined single limit for each occurrence.
- (d) Worker's Compensation Insurance as required by law and Employer's Liability Insurance with limits of not less than \$1,000,000 per occurrence.

21.2 MFS shall name BA as an additional insured on the foregoing insurance. MFS agrees that MFS's insurer(s) and anyone claiming by, through, under or on behalf of MFS, shall have no claim, right of action, or right of subrogation, against BA, BA's affiliated companies, or the directors, officers or employees of BA or BA's affiliated companies, based on any loss or liability insurable under the foregoing insurance.

21.3 MFS shall, within two (2) weeks of the date hereof and on a quarterly basis thereafter, furnish certificates or other adequate proof of the foregoing insurance. The certificates or other proof of the foregoing insurance shall be sent to: Bell Atlantic, Insurance Administration Group, 1320 N. Court House Road, 4th Floor, Arlington, Virginia, 22201. In addition, MFS shall require its agents, representatives, or contractors, if any, that may enter upon the premises of BA or BA's affiliated companies to maintain similar and appropriate insurance and, if requested, to furnish BA certificates or other adequate proof of such insurance. Certificates furnished by MFS or MFS's agents, representatives, or contractors shall contain a clause stating: "Bell Atlantic - Maryland, Inc. shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."

22.0 TERM AND TERMINATION.

22.1 This Agreement shall be effective as of the date first above written and continue in effect until July 1, 1999, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Upon the expiration of the initial term, either Party may terminate this Agreement by providing written notice of termination to the other Party, such written notice to be provided at least ninety (90) days in advance of the date of termination. In the

event of such termination, those service arrangements made available under this Agreement and existing at the time of termination shall continue without interruption under (a) a new agreement executed by the Parties, (b) standard Interconnection terms and conditions approved and made generally effective by the Commission, (c) Tariff terms and conditions generally available to CLEC, or (d) if none of the above is available, under the terms of this Agreement on a month-to-month basis until such time as (a), (b), or (c) becomes available.

22.2 For service arrangements made available under this Agreement and existing at the time of termination, if the standard Interconnection terms and conditions or Tariff terms and conditions result in the non-terminating Party physically rearranging facilities or incurring programming expense, the non-terminating Party shall be entitled to recover such rearrangement or programming costs, from the terminating Party. By mutual agreement, the Parties may jointly petition the appropriate regulatory bodies for permission to have this Agreement supersede any future standardized agreements or rules as such regulators might adopt or approve.

22.3 If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement and services hereunder by written notice; provided the other Party has provided the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice at least twenty five (25) days' prior to terminating service. Notice shall be posted by certified mail, return receipt requested. If the defaulting Party cures the default or violation within the twenty five (25) day period, the other Party will not terminate service or this Agreement but shall be entitled to recover all costs, if any, incurred by it in connection with the default or violation, including, without limitation, costs incurred to prepare for the termination of service.

23.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

24.0 CANCELLATION CHARGES.

Except as provided in this Agreement or as otherwise provided in any applicable Tariff, no cancellation charges shall apply.

25.0 INDEMNIFICATION.

25.1 Each Party agrees to release, indemnify, defend and hold harmless the other Party from and against all losses, claims, demands, damages, expenses, suits or other actions, or any liability whatsoever, including, but not limited to, costs and attorneys' fees (collectively, a "Loss"), (a) whether suffered, made, instituted, or asserted by any other party or person, (i) 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 acts or omissions of the indemnifying Party, regardless of the form of action, or (ii) arising out of BA's listing of the directory listing information provided by MFS pursuant to subsection 19.1, or (b) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out the other Party's provision of services to the indemnifying Party under this Agreement. Notwithstanding the foregoing indemnification, nothing in this such Section 25. 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), regulations or laws for the indemnified Party's provision of said services.

25.2 The indemnification provided herein shall be conditioned upon:

(a) The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.

(b) The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.

(c) 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.

(d) The indemnified Party shall, in all cases, assert any and all provisions in its Tariffs that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

(e) The indemnified Party shall offer the indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

25.3 In addition to its indemnity obligation under subsection 25.1, each Party shall provide, in its tariffs and contracts with its Customers that relate to any Telecommunications Service or Network Element provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such parties be liable to any Customer or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable Customer for the service(s) or function(s) that gave rise to such Loss, and (ii) any Consequential Damages (as defined in subsection 26.2 below).

26.0 LIMITATION OF LIABILITY.

26.1 Except as may be provided pursuant to Section 27 below, the liability of either Party to the other Party for damages arising out of failure to comply with a direction to install, restore or terminate facilities; or out of 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 occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects.

26.2 Neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits (collectively, "Consequential Damages"), 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 obligation under Section 25.

26.3 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. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship between the Party providing the service and the customers of the Party purchasing the service. 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).

27.0 PERFORMANCE STANDARDS FOR SPECIFIED ACTIVITIES.

27.1 **Certain Definitions.** When used in this Section 27, the following terms shall have the meanings indicated:

27.1.1 "Specified Performance Breach" means the failure by BA to meet the Performance Criteria for any one of the three Specified Activities for a period of three (3) consecutive calendar months.

27.1.2 "Specified Activity" means any of the following activities:

(a) the installation by BA of Unbundled Local Loop Elements for MFS ("ULL Installation");

- (b) BA's provision of INP to MFS or
- (c) repair of out of service problems for MFS ("Out of Service Repairs").

27.1.3 "Performance Criteria" means, with respect to any calendar month during the term of this Agreement, the performance by BA during such month of each Specified Activity (except Out-of-Service Repairs) shown in Schedule 27.0, within the time interval shown, in at least eighty percent (80%) of the covered instances. BA shall perform the Out-of-Service Repairs within the specified time interval in at least seventy percent (70%) of the covered instances. Within one week of each anniversary of the Effective Date, the Parties shall jointly review BA's actual network-wide monthly performance percentages for Out-of-Service Repairs for the preceding year and agree upon any improvements in the seventy percent (70%) standard based on the actual percentages for any three consecutive month period and/or the full preceding year, up to and including an eighty percent (80%) standard, as the Out-of-Service Repairs percentage standard applicable to the following year.

27.2 Performance Standards. BA shall exercise best efforts to meet the Performance Criteria for the three Specified Activities. In the event BA fails to meet the Performance Criteria at any time during the term of this Agreement, MFS shall be entitled to pursue all remedies set forth in the applicable BA Tariffs, except as may be agreed to by the Parties. In addition, if BA commits a Specified Performance Breach during the term of this Agreement, the Parties agree to meet immediately to determine whether any liquidated damages provisions are appropriate as an amendment hereof in light of such Breach and, if so, the terms therein; provided, however, that if BA commits a Specified Performance Breach during initial nine (9) months of this Agreement, the Parties agree to meet at the end of the nine-month period. If the Parties are unable to agree as to the appropriateness of the liquidated damages provisions and/or the terms therein within ninety (90) days after the date of the first meeting pursuant to this subsection, or if no such meeting has occurred within ninety (90) days of the end of the nine-month period for reasons other than the mutual agreement of the Parties, the Parties agree to submit to arbitration such disagreement and request that the arbitrators base their decision on comparable ILEC-CLEC interconnection agreements. Unless otherwise agreed to by the Parties, the arbitration shall be conducted by a panel of three (3) arbitrators, one to be appointed by each Party pursuant to CPR's Non-Administered Arbitration Rules and subject to the United States Arbitration Act (9 U.S.C. §§ 1-16), to be conducted in Arlington, Virginia. The Parties agree that the liquidated damages provisions, if any, finally determined by the arbitral process shall be adopted as an amendment to this Agreement.

27.3 Limitations. In no event shall BA be deemed to have failed to meet any of the Performance Criteria if:

27.3.1 BA's failure to meet or exceed any of the Performance Criteria is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (a) a failure by MFS to perform any of its obligations set forth in this Agreement (including, without limitation, the Implementation Schedule and the Joint Grooming Plan), (b) any delay, act or

failure to act by a Customer, agent, representative, or subcontractor of MFS or (c) any Force Majeure Event. If a Delaying Event prevents or delays BA from performing a Specified Activity, then such Specified Activity shall be excluded from the calculation of BA's compliance with the Performance Criteria, provided BA performs the Specified Activity in the course of its normal service cycle once the Delaying Event no longer exists; or

27.3.2 the Parties agree to a time interval with respect to a particular order that exceeds the interval set forth in Schedule 27. In such event, the time interval for BA's performance of the Specified Activity(ies) set forth in the order shall be extended to such later date agreed to by the Parties.

27.4 Service Quality Standards. MFS agrees to specific performance standards associated with quality of service requests as specified in Schedule 27.1. Should MFS fail to meet these service quality standards, during a period in which BA has failed to meet the Performance Criteria, BA's failure during such time period shall be excused and not apply toward the calculation of a Specified Performance Breach.

27.5 Records. Each Party shall maintain complete and accurate records in the manner and format agreed to by the Parties, on a monthly basis, of BA's performance under this Agreement of each Specified Activity and its compliance with the Performance Criteria during the initial nine-month period. Each Party shall provide to the other Party such records in a self-reporting format on a monthly basis. The Parties agree that such records shall be deemed "Proprietary Information" for purposes of subsection 29.4.

28.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL.

28.1 Each Party represents and warrants that it is now and will remain in compliance with all laws, regulations, and orders applicable to the performance of its obligations hereunder (collectively, "Applicable Laws"). Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

28.2 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement.

28.3 The Parties recognize that the FCC is currently promulgating regulations implementing the Act, including, without limitation, Sections 251, 252, and 271 thereof (the "FCC Regulations"), that may affect the terms contained in this Agreement. In the event that any one or more of the provisions contained herein is inconsistent with any such FCC Regulations, the Parties

agree to make only the minimum revisions necessary to eliminate the inconsistency. Such minimum changes to conform this Agreement to the FCC Regulations shall not be considered material, and shall not require further Commission approval (beyond any Commission approval required under Section 252(e) of the Act).

28.4 In the event any Applicable Law other than the FCC Regulations requires modification of any material term(s) contained in this Agreement, either Party may require a renegotiation of the term(s) that require direct modification as well as of any term(s) that are reasonably affected thereby. If neither Party requests a renegotiation or if an Applicable Law requires modification of any non-material term(s), then the Parties agree to make only the minimum modifications necessary, and the remaining provisions of this Agreement shall remain in full force and effect. For purposes of this subsection 28.4 and without limitation of any other modifications required by Applicable Laws, the Parties agree that any modification required by Applicable Laws (i) to the two-tier Reciprocal Call Termination compensation structure for the transport and termination of Local Traffic described in Exhibit A, or (ii) that affects either Party's receipt of reciprocal compensation for the transport and termination of Local Traffic, shall be deemed to be a modification of a material term that requires immediate good faith renegotiation between the Parties. Until such renegotiation results in a new agreement or an amendment to this Agreement between the Parties, the Parties agree that (y) in the case of (i) above, they will pay each other appropriate transport charges in addition to the usual call termination charge for Local Traffic that it delivers to the other Party's Local Serving Wire Center, provided each Party continues to offer the option of delivering Local Traffic to another IP in the LATA at the usual call termination charge only, and (z) in the case of (ii) above, the Party whose receipt of reciprocal compensation is affected shall not be obligated to pay the other Party reciprocal compensation for the other Party's transport and termination of the same kind of Local Traffic delivered by the affected Party in excess of what the affected Party is permitted to receive and retain.

29.0 MISCELLANEOUS.

29.1 Authorization.

29.1.1 BA is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder on behalf of BA.

29.1.2 MFS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

29.2 Independent Contractor. Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as

any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

29.3 Force Majeure. Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body, or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts, or delays caused by the other Party or by other service or equipment vendors, or any other circumstances beyond the Party's reasonable control. In such event, the affected Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease.

29.4 Confidentiality.

29.4.1 All information, including but not limited to specification, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication or directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.

29.4.2 Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for performing the covenants contained in this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.

29.4.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information that:

- (a) was, at the time of receipt, already known to the receiving Party free of any obligation to keep it confidential as evidenced by written records prepared prior to delivery by the disclosing Party, or

(b) is or becomes publicly known through no wrongful act of the receiving Party; or

(c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or

(d) is independently developed by an employee, agent, or contractor of the receiving Party that is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or

(e) is approved for release by written authorization of the disclosing Party; or

(f) is required to be made public by the receiving Party pursuant to applicable law or regulation, provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

29.4.4 Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes only.

29.4.5 Notwithstanding any other provision of this Agreement, the provisions of this subsection 29.4 shall apply to all Proprietary Information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the Effective Date.

29.5 Choice of Law. The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the state in which this Agreement is to be performed, except for its conflicts of laws provisions. In addition, insofar as and to the extent federal law may apply, federal law will control.

29.6 Taxes

29.6.1. **In General.** With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law (as defined in subsection 28.1) to be collected from the purchasing Party by the providing Party, then (i) the providing Party shall properly bill the purchasing Party for such Tax, (ii) the purchasing Party shall timely remit such Tax to the providing Party and (iii) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

29.6.2. **Taxes Imposed on the Providing Party.** With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, which Law permits the providing

Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (i) shall provide the providing Party with notice in writing in accordance with subsection 29.6.6 of this Agreement of its intent to pay the Receipts Tax and (ii) shall timely pay the Receipts Tax to the applicable tax authority.

29.6.3. Taxes Imposed on Customers. With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (i) shall be required to impose and/or collect such Tax from the Subscriber and (ii) shall timely remit such Tax to the applicable taxing authority.

29.6.4. Liability for Uncollected Tax, Interest and Penalty. If the providing Party has not received an exemption certificate and fails to collect any Tax as required by subsection 29.6.1, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such uncollected Tax and (ii) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by subsection 29.6.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by subsection 29.6.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by subsection 29.6.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by subsection 29.6.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax

to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

29.6.5. Tax Exemptions and Exemption Certificates. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in subsection 29.6.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (i) furnishes the providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Law which clearly allows such exemption and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax.

29.6.6. Notices for Purposes of this Subsection 29.6. All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this subsection 29.6, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in subsection 29.10 as well as to the following:

| | |
|-------------------|--|
| To Bell Atlantic: | Tax Administration Bell Atlantic Network Services, Inc. 1717 Arch Street 30th Floor Philadelphia, PA 19103 |
| To MFS: | Corporate Tax Department MFS Communications Company, Inc. 11808 Miracle Hills Drive Omaha, Nebraska 68154 |

Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this subsection 29.6. Any notice or other communication shall be deemed to be given when received.

29.7 Assignment. Neither Party shall assign this Agreement nor any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any assignment or delegation in violation of this subsection 29.7 shall

shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

29.8.7 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

29.9 Dispute Resolution. Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties, in the first instance. Should such negotiations fail to resolve the dispute in a reasonable time, either Party may initiate an appropriate action in any regulatory or judicial forum of competent jurisdiction.

29.10 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested, or (d) delivered by telecopy to the following addresses of the Parties:

To MFS:

MFS Intelenet of Maryland, Inc.
33 Whitehall St.
15th Floor
New York, NY 10004
Attn: Director, Regulatory Affairs - Eastern Region
Facsimile: 212/843-3060

To Bell Atlantic:

Director - Interconnection Services
Bell Atlantic Network Services, Inc.
1320 N. Courthouse Road
9th Floor
Arlington, VA 22201
Facsimile: 703/974-2183

with a copy to:

Vice President and General Counsel
Bell Atlantic - Maryland, Inc.
1 East Pratt Street
8th Floor
Baltimore, Maryland 21202
Facsimile: 410/393-4078

or to such other address as either Party shall designate by proper notice. Notices will be

deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail, or (iv) on the date set forth on the confirmation in the case of telecopy.

29.11 Section 252(i) Obligations.

29.11.1 If, at any time during the term of this Agreement, either Party enters into an agreement to provide an integrated package of services or arrangements substantially similar to that described herein to another CLEC (in the case of BA), or another incumbent LEC (in the case of MFS), operating within the same state to which this Agreement applies, on terms significantly different than those available under this Agreement (the "Other Agreement"), then the other Party may opt to adopt, on a prospective basis only, the rates, terms, and conditions contained in the Other Agreement (i) in its entirety, or (ii) that relate directly to any of the following individual services, Network Elements, or arrangements, for its own reciprocal arrangements with the first Party, including, without limitation, any term or volume commitments or network architecture configurations:

- (a) Unbundled Loop Elements - Section 251(c)(3) of the Act (Section 11 of this Agreement); or
- (b) Collocation - Section 251(c)(6) of the Act (Section 13 of this Agreement); or
- (c) Number Portability - Section 251(b)(2) of the Act (Section 14 of this Agreement); or
- (d) Access to Rights of Way - Section 251(b)(4) of the Act (Section 16 of this Agreement).
- (e) transiting arrangements.

29.11.2 To the extent the exercise of the foregoing options requires a rearrangement of facilities by the providing Party, the opting Party shall be liable for the non-recurring charges associated therewith.

29.11.3 The Party electing to exercise such option shall do so by delivering written notice to the first Party. Upon receipt of said notice by the first Party, the Parties shall amend this Agreement to provide the same rates, terms and conditions to the notifying Party for the remaining term of this Agreement; provided, however, that the Party exercising its option under this subsection 29.11 must continue to provide the same services or arrangements to the first Party as required by this Agreement, subject either to the rates, terms, and conditions applicable to the first Party in its agreement with the third party or to the rates, terms, and conditions of this Agreement, whichever is more favorable to the first Party in its sole determination.

29.11.4 BA represents and warrants that, as of the date of this Agreement, it has not entered into any comparable Interconnection agreement with any other CLEC in BA's service territory that is significantly more favorable than the terms contained herein. BA makes no warranty or representation with respect to its Interconnection arrangements with its affiliates or ITCs.

29.12 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

29.13 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

29.14 No License.

29.14.1 Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trademark, trade name, trade secret or any other proprietary or intellectual property now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.

29.14.2 Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

29.14.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT

THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY THE PARTIES OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM BY ANY THIRD PARTY OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT OF SUCH THIRD PARTY.

29.15 Technology Upgrades. Nothing in this Agreement shall limit BA's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. BA shall provide MFS written notice at least ninety (90) days prior to the incorporation of any such upgrades in BA's network that will materially affect MFS's service. MFS shall be solely responsible for the cost and effort of accommodating such changes in its own network.

29.16 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.

29.17 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications.

29.18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

29.19 Modification, Amendment, Supplement, or Waiver. No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

29.20 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

29.21 Publicity. Neither Party shall use the name of the other Party in connection with this Agreement in a press release or statement without the prior consent of the other Party, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement
to be executed as of this 16th day of July, 1996.

MFS INTELENET OF
MARYLAND, INC.

By: Alex J. Harris

Printed: Alex J. Harris

Title: Vice President Regulatory Affairs

BELL ATLANTIC -
MARYLAND, INC.

By: Daniel J. Whelan

Printed: DANIEL J. WHELAN

Title: President & CEO

SCHEDULE 1.0

CERTAIN TERMS AS DEFINED IN THE ACT, AS OF JULY 16, 1996

"Dialing Parity" means that a person that is not an affiliate of a local exchange carrier is able to provide Telecommunications Services in such a manner that Customers have the ability to route automatically, without the use of any access code, their Telecommunications to the Telecommunications Services provider of the customer's designation from among two (2) or more Telecommunications Services providers (including such LEC).

"Exchange Access" means the offering of access to Telephone Exchange Services or facilities for the purpose of the origination or termination of Telephone Toll Services.

"InterLATA" means Telecommunications between a point located in a local access and transport area and a point located outside such area.

"Local Access and Transport Area" or "LATA" means a contiguous geographic area: (a) established before the date of enactment of the Act by a Bell operating company such that no Exchange Area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or (b) established or modified by a Bell operating company after such date of enactment and approved by the FCC.

"Local Exchange Carrier" means any person that is engaged in the provision of Telephone Exchange Service or Exchange Access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Network Element" means a facility or equipment used in the provision of a Telecommunications Service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service.

"Number Portability" means the ability of end users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Communications Act).

"Telecommunications Service" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

"Telephone Exchange Service" means (a) service within a telephone exchange or within a connected system of telephone exchanges within the same exchange area operated to furnish subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (b) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.

"Telephone Toll Service" means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

SCHEDULE 3.0

NETWORK IMPLEMENTATION SCHEDULE FOR MARYLAND

In accordance with the provisions of Section 3 of the Agreement, the Parties shall make their best efforts to meet the following Milestones no later than the listed Dates.

| LATA in Maryland | Milestone | Date |
|------------------|--|------|
| LATA 236 | LATA Start Date ("SD") | Done |
| | SS7 Certification, Collocation, and NXX(s) Applied For | Done |
| | Parties Agree on Initial Network Design | Done |
| | Valid Access Service Request(s) ("ASRs") and Routing Information Received by BA | Done |
| | Collocation Arrangements Complete for Trunk Interconnection and IDLC for ULLs | Done |
| | All Trunks Tested and Turned Up; SS7 Certification Achieved; VG ULL Capability Available | Done |
| | Call-through Testing Completed; "Interconnection Activation Date" | Done |
| | | |
| LATA 238 | LATA Start Date ("SD") | Done |
| | SS7 Certification, Collocation, and NXX(s) Applied For | Done |
| | Parties Agree on Initial Network Design | Done |
| | Valid Access Service Request(s) ("ASRs") and Routing Information Received by BA | Done |
| | Collocation Arrangements Complete for Trunk Interconnection and IDLC for ULLs | Done |
| | All Trunks Tested and Turned Up; SS7 Certification Achieved; VG ULL Capability Available | Done |
| | Call-through Testing Completed; "Interconnection Activation Date" | Done |
| | | |

Failure of a Party or the Parties to meet an earlier Milestone Date shall not relieve either Party of the responsibility to make its best efforts to meet subsequent Milestone Date(s) in the LATA, unless, and only to the extent that, the subsequent Milestone Date(s) depend on the timely completion of such earlier Milestone Date.

For purposes of Section 3, (i) business Telephone Exchange Service shall be considered "fully operational" in a LATA in the state of Maryland when MFS has an effective Tariff for business Telephone Exchange Service in the state of Maryland and has a significant number of Telephone Exchange Service Customer lines in service for business Telephone Exchange Service Customers in that LATA in the state of Maryland that are not affiliates or employees of either

BA or MFS, and (ii) residential Telephone Exchange Service shall be considered "fully operational" in a LATA in the state of Maryland when MFS has an effective Tariff for residential Telephone Exchange Service in the state of Maryland and has a significant number of Telephone Exchange Service Customer lines in service for residential Telephone Exchange Service Customers in that LATA in the state of Maryland that are not affiliates or employees of either BA or MFS.

Schedule 4

Interconnection Points in LATA

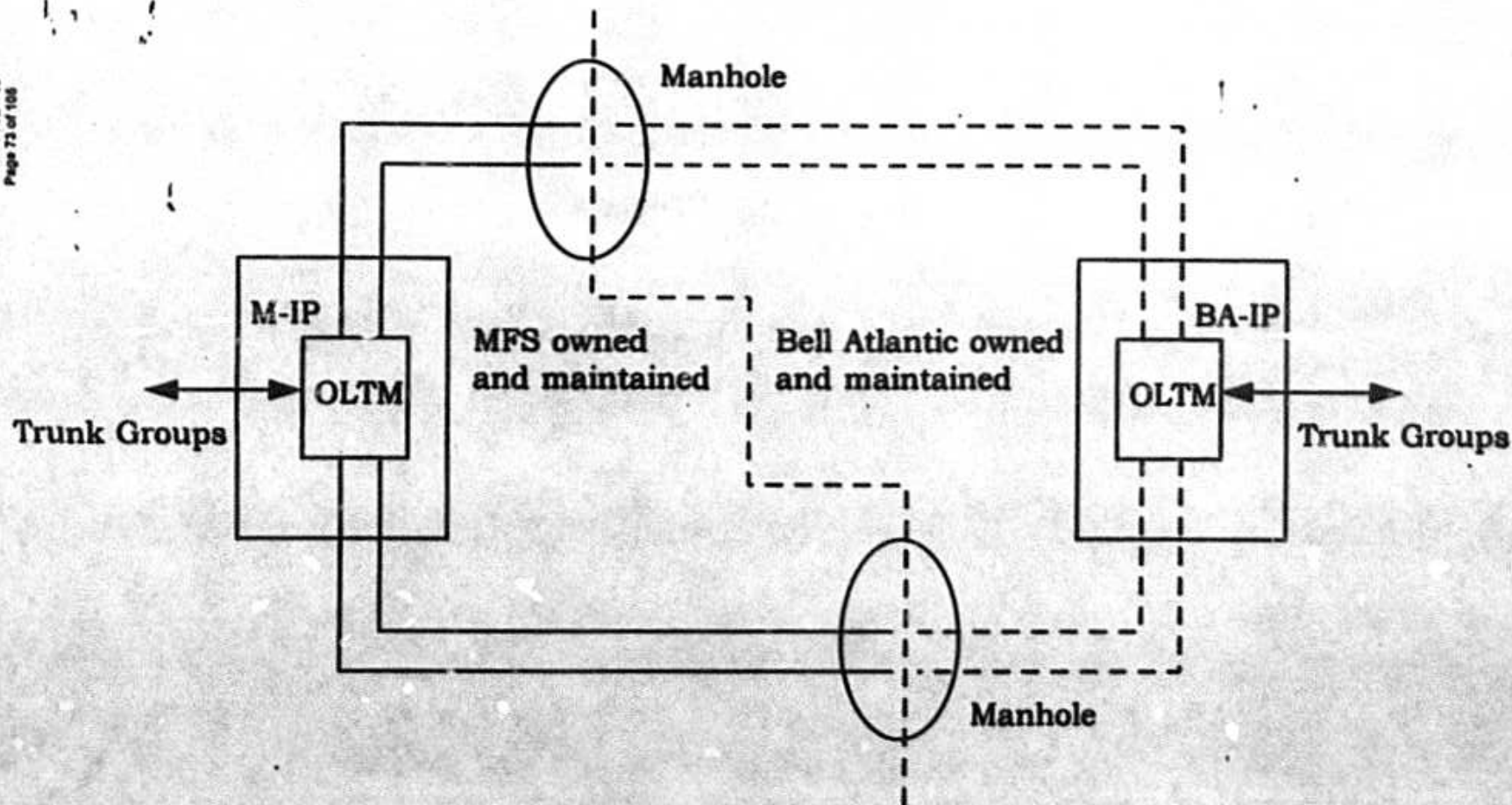
LATA 236

**M-IP: Reston Switch
 12379 Sunrise Valley Dr.
 Reston, VA**

**BA-IP Arlington Tandem
 1025 N. Irving Street
 Arlington, VA**

Schedule 4.2 - Physical Architecture

[Illustrative]



SCHEDULE 4.5

INTERCONNECTION POINTS FOR DIFFERENT TYPES OF TRAFFIC

Each Party shall provide the other Party with Interconnection to its network at the following points for transmission, routing and termination. Each Party shall make available at its Interconnection Points facilities to route the traffic it receives to the appropriate final destination. Interconnection at a BA-IP that is a Local Serving Wire Center provides access to all of the Interconnection Points identified below (except for paragraphs 8 through 11), via facilities appropriate for the traffic types and destinations identified below. Compensation for such facilities will be as set forth in Exhibit A or as provided elsewhere herein.

1. For the termination of Local Traffic or Toll Traffic originated by one Party's Customer and terminated to the other Party's Customer, at the points set forth in subsections 4.2 and/or 4.3 of the main body of the Agreement.
2. For the termination of Meet Point Billing Traffic Traffic from an IXC to:
 - (a) MFS, at the M-IP in LATA in which the Traffic is to terminate.
 - (b) BA, at the BA-IP in LATA in which the Traffic is to terminate.
3. For the termination of Transit Traffic from an ITC, wireless carrier, or other CLEC to:
 - (a) MFS, at the M-IP in which the Traffic is to terminate.
 - (b) BA, at the BA-IP in LATA in which the Traffic is to terminate.
4. For 911/E911 traffic originated on MFS's network, at the PSAP in areas where only Basic 911 service is available, or at the BA 911 Tandem Office serving the area in which the MFS Customer is located, in accordance with applicable state laws and regulations and PSAP requirements.
5. For Directory Assistance (411 or NPA-555-1212) traffic, at the applicable BA Local Serving Wire Center or the BA operator services Tandem Office subtended by such Local Serving Wire Center.
6. For Operator Services (call completion) traffic, at the applicable BA Local Serving Wire Center or the BA operator services Tandem Office subtended by such Local Serving Wire Center.
7. For LSV/VCI traffic, at the terminating Party's Local Serving Wire Center or operator services Tandem Office subtended by such Local Serving Wire Center.

8. For SS7 signaling originated by:

(a) MFS, at mutually agreed-upon Signaling Point of Interconnection(s) ("SPOI") in the LATA in which the Local or Toll Traffic originates, over CCSAC links provisioned in accordance with Bellcore GR-905 and Bell Atlantic Supplement Common Channel Signaling Network Interface Specification (BA_905).

(b) BA, at mutually agreed-upon SPOIs in the LATA in which the Local or Toll Traffic originates, over a CCSAC links provisioned in accordance with Bellcore GR-905 and BA-905.

Alternatively, either Party may elect to interconnect for SS7 signaling through a commercial SS7 hub provider.

9. For 800/888 database inquiry traffic, at any BA Signaling Transfer Point in the LATA in which the originating MFS Wire Center is located, over a CCSAC link. Alternatively, MFS may elect to interconnect through a commercial SS7 hub provider.

10. For Line Information Database ("LIDB") inquiry traffic, at any BA Signaling Transfer Point in the LATA in which the LIDB is located, over a CCSAC link. Alternatively, MFS may elect to interconnect through a commercial SS7 hub provider.

11. For any other type of traffic, at reasonable points to be agreed upon by the Parties, based on the network architecture of the terminating Party's network.

SCHEDULE 6.3

RATE ELEMENTS UNDER MEET POINT BILLING

Interstate Access - Terminating to or originating from MFS Customers

| <u>Rate Element</u> | <u>Billing Company</u> |
|---|--|
| Carrier Common Line | MFS |
| Local Switching | MFS |
| Interconnection Charge | MFS |
| Local Transport Facility/ Tandem Switched Transport Per Mile | Based on negotiated billing percentage (BIP) |
| Local Transport Termination/ Tandem Switched Transport Fixed | BA |
| Entrance Facility | BA |
| 800 Database Query | Party that performs query |

Intrastate Access - Terminating to or originating from MFS Customers¹

| <u>Rate Element</u> | <u>Billing Company</u> |
|---|--|
| Carrier Common Line | MFS |
| Local Switching | MFS |
| Interconnection Charge | MFS |
| Local Transport Facility/ Tandem Switched Transport Per Mile | Based on negotiated billing percentage (BIP) |
| Local Transport Termination/ Tandem Switched Transport Fixed | BA |
| Entrance Facility | BA |
| 800 Database Query | Party that performs query |

¹ Pending approval of the BA intrastate local transport restructure tariff, intrastate access services subject to the pending tariff will be charged pursuant to effective tariffs, as agreed by the Parties, subject to true-up at either Party's request.

SCHEDULE 27.0

PERFORMANCE INTERVAL DATES FOR SPECIFIED ACTIVITIES

| SPECIFIED ACTIVITY | PERFORMANCE INTERVAL DATE ² |
|--|--|
| (i) Unbundled Local Loop Installation¹ | |
| 1-10 Loops per service order | 6 business days from BA's receipt of valid service order |
| 11-20 Loops per service order | 10 business days from BA's receipt of valid service order |
| 21 + Loops per service order | To be negotiated on order-by-order basis |
| (ii) Interim Number Portability Installation | |
| 1-10 Numbers per service order | 6 business days from BA's receipt of valid service order |
| 11-20 Numbers per service order | 10 days from BA's receipt of valid service order |
| 21 + Numbers per service order | To be negotiated on order-by-order basis |
| (iii) Out-of-Service Repairs | Less than 24 hours from BA's receipt of notification of out-of-service condition |

¹ The Unbundled Loop Installation intervals set forth in this Schedule 27.0 apply only to ULLs offered by BA as of the date of this Agreement. Installation intervals for new ULLs will be developed by the Parties as such ULLs become available.

² Unless otherwise agreed to by the Parties, in which case the Performance Interval Date shall be extended until the agreed-upon date. Notwithstanding the Performance Interval Dates contained in this Schedule 27.0, under no circumstances will BA be obligated to extend installation, provision, or repair intervals to MFS that are more favorable than BA extends to its own customers for comparable services.

SCHEDULE 27.1

MFS SERVICE QUALITY STANDARDS

1.0 Unbundled Local Loop Installation Orders

1.1 All order information submitted by MFS is valid (e.g. street address, floor/unit number, cable pair assignment, etc.).

1.2 Customer (end user) is available at appointed time and day.

2.0 "Live" Cutover Unbundled Local Loop Installation Orders (pursuant to Section 11.6)

2.1 Accurate account and end user information submitted on service request.

2.2 Accurate tie cable and pair assignment provided by MFS on service request.

Exhibit A

**BELL ATLANTIC-MARYLAND, INC. AND MFS INTELENET
 OF MARYLAND, INC.**

DETAILED SCHEDULE OF ITEMIZED CHARGES¹

A. BA Services, Facilities, and Arrangements:

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|---|--|-------------------------|
| 1.a. | Entrance facilities, and transport, as appropriate, for Interconnection at BA End Office, Tandem Office, Serving Wire Center, or other Point of Interconnection | Per interstate [BA FCC #1 sec. 6.9.1.] and intrastate [BA-MD 217 sec. 6.9.2] access tariffs for Feature Group D service Illustrative: Interstate non-recurring: \$1, plus \$1 switched access connection charge per trunk; DS-1 entrance facility \$210-\$212/mo. Intrastate nonrecurring: \$830 for first DS-1, \$240 for additional, plus \$20 switched access connection charge per trunk; DS-1 entrance facility \$225/mo./point of termination | |
| 1.b. | Collocation and related services for Interconnection at BA End Office, Tandem Office, or Serving Wire Center | Per interstate [BA FCC 1 sec. 19] and intrastate access tariffs | |

¹ Rates listed herein for services, facilities, or arrangements that are marked with an asterisk (*) are fixed pursuant to Section 20 of the Agreement for the initial term of the Agreement, as set forth in Section 22 of the Agreement. Rates for services, facilities, or arrangements that are not marked with an asterisk shall change in accordance with the provisions of Section 20 of the Agreement.

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|--|---|--|
| 1.c. | Tandem transit arrangements (for Interconnection between MFS and carriers other than BA) | Per tariffs cited in sections 1.a. and 1.b. above, as applicable; separate trunks required for IXC subtending trunks | Per interstate [BA-FCC 1 sec. 6.9.1.B] and intrastate [BA-MD 217 sec. 6.9.1.B] for tandem switching and tandem switched transport, as applicable Illustrative: Interstate, Intrastate tandem switching \$.000999/mou, tandem switched transport \$.000222/mou plus \$.000048/mou/mile |
| 1.d. | 911 Interconnection | Per tariffs cited in 1.a., 1.b., and 1.c. above, as applicable, for entrance facility plus applicable transport, or Collocation Arrangement at 911 tandem | |
| 1.e. | Directory assistance Interconnection | Intrastate per BA-MD 217 sec. 9.6.B (transport) Interstate per BA FCC 1 sec. 9.6.B | Intrastate per BA-MD 217 sec. 9.6.B; Illustrative: Per call rate \$.000080 fixed, \$.000017 per mile, \$.000350 tandem switching, \$.003085 interconnection Interstate per BA FCC 1 sec. 9.6.B Illustrative: Per call rate \$.000082 fixed, \$.000019 per mile, \$.000353 tandem switching, \$.002311 interconnection |

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|---|---|--|
| 1.f. | Operator services (call completion) Interconnection | Per separate contract | |
| 2. | Unbundled elements | Available as listed herein and in interstate and intrastate tariffs, and pursuant to Section 11 of the Agreement | |
| 3. | Poles, ducts, conduits, ROW | Per contract rates pursuant to 47 U.S.C. sec. 224 Illustrative: Duct: \$4.50/foot/yr. Pole: \$3.81/attachment/yr. | |
| 4.a. | Local loop transmission* Unbundled Local Loop Element Cross Connection to POTS loop | Permanent rates to be determined by appropriate arbitral body. Interim rates will apply until the permanent rates are determined. ² | Permanent rates to be determined by appropriate arbitral body. Interim rates will apply until the permanent rates are determined. ³ |
| 4.b. | Special construction charges | As applicable per BA-MD 203 sec. 2 | |
| 4.c. | Central office technician charges (during normal working hours) | Per interstate [BA FCC 1 sec. 13.2 or sec. 19.5] tariff. | |
| 5.a. | Trunk Side local transport DS-1 transport | Per interstate [BA FCC 1 sec. 6.9.1.C] and intrastate [BA-MD 217 sec. 6.9.1.C] tariffs Illustrative recurring: Interstate \$60/mo fixed, \$17.70/mile/mo. Intrastate \$50/mo. fixed, \$30/mile/mo. | |

² Interim rates will be based on the following order of precedence: (i) effective tariff(s), (ii) other BA ILEC-CLEC Interconnection Agreement(s) in the state, (iii) any Commission recommendation, or (iv) mutual agreement of the Parties.

³ See preceding note.

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|---|---|--|
| 5.b. | DS-3 transport | Tariff reference see 5.a. above. Illustrative recurring: Interstate \$900/mo. fixed, \$180/mile/mo. Intrastate \$920/mo. fixed, \$220/mile/mo. | |
| 6. | Local switching* POTS switch Port | \$6/service order plus \$6/Port | \$1.50/mo., plus usage per tariff, minus wholesale discount per section 14 below |
| 7.a. | Operator services 911 service (data entry; database maintenance)* | No charge | |
| 7.b. | Directory assistance | Per tariff or separate contract; branding available | Per tariff or separate contract Illustrative tariff rates: Interstate [BA FCC 1 sec. 9.6], \$.275-.288 per call Intrastate [BA-MD 217 sec. 9.6.A], \$.25 per call Directory transport per section 1.e. above |
| 7.c. | Operator call completion | Per separate contract; branding available | |
| 8.a. | White pages directory listings* | | Per tariff MD 216 sec. 5.C \$.29/mo./primary listing |
| 8.b. | Books & delivery (annual home area directories only)* | No charge for normal numbers of books delivered to end users; bulk deliveries to CLEC per separate arrangement | |

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|---|---|---|
| 10.b | LIDB Interconnection | Per tariff [BA FCC 1 sec. 6.9.1.M] Illustrative: Originating point code, \$125 | Per tariff [BA FCC 1 sec. 6.9.1.M] Illustrative: Query validation \$.04/query Query transport \$.0002/query |
| 10.c | 800/888 data base Interconnection | No separate charge (included in FGD trunk and STP links) | Per interstate [BA FCC 1 sec. 6.9.2.A.1], and intrastate [BA-MD 217 sec. 6.9.1.N] tariffs Illustrative: Interstate basic query, \$.003105/query; vertical feature package, \$.000337/query Intrastate basic query, \$.00308/query; vertical feature package, \$.000327/query |
| 11.a | Interim number portability through co-carrier call forwarding | service order per location \$30 installation per number \$35 (unless installed with unbundled loop) installation per separate path arrangement \$20 | \$3/mo. per number for up to 10 paths; \$.40/mo. per additional path |

| | BA Service | Non-recurring | Recurring |
|------|---|---|---|
| 11.b | Access pass-through to number portability purchaser* | | In accordance with section 14.5 of Agreement |
| 12. | Local dialing parity* | No charge | |
| 13.a | Reciprocal call termination Local Traffic delivered to Bell Atlantic Interconnection Point* First year* | | \$.009/mou |
| | After first year* | | In accordance with note 6 below |
| 13.b | Access charges for termination of intrastate and interstate Toll Traffic | | Per interstate and intrastate access tariffs (charged in conjunction with Local Traffic, using PLU and PIU, as appropriate) |
| 14.a | Wholesale rates for resale of telecommunications services provided to end users** | Percentage discount from retail tariff ⁵ | |
| 14.b | Individual Case Basis services and similar single-customer serving arrangements; directory assistance and operator call completion* | No discount | |

⁴ Excludes telecommunications services designed primarily for wholesale, such as switched and special access, and, subject to Section 12. of the Agreement, the following additional arrangements that are not subject to resale: limited duration promotional offerings, public coin telephone service, and technical and market trials. Taxes shall be collected and remitted by the reseller and BA in accordance with legal requirements and as agreed between the Parties. Surcharges (e.g., 911, telecommunications relay service, universal service fund) shall be collected by the reseller and either remitted to the recipient agency or NECA, or passed through to BA for remittance to the recipient agency or NECA, as appropriate and agreed between the Parties. End user common line charges shall be collected by the reseller and remitted to BA.

⁵ Pending establishment of mechanized billing procedures adapted to resale, the Parties will agree upon a composite "bottom-of-the-bill" discount that reflects the discounts and exclusions identified herein, and such other adjustments as the Parties agree.

| | <u>BA Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|---|--|------------------|
| 14.c | IntraLATA toll, including discount plans* | Discount per sections 14.d. and 14.e. below applied to composite weighted average toll rate per minute | |
| 14.d | Other retail residential services* | 5.5% discount | |
| 14.e | Other retail business services* | 9.5% discount | |

B. MFS Services, Facilities, and Arrangements:

| | <u>MFS Service</u> | <u>Non-recurring</u> | <u>Recurring</u> |
|------|--|---|---|
| 1.a. | Interim Number Portability through co-carrier call forwarding* Number portability* | \$30/service order, \$35/number (not ordered with ULL) \$20 per additional path order | \$3/mo. for ten paths per number; plus \$.40/mo. per additional path |
| 1.b. | Access pass-through to number portability purchaser* | | In accordance with sec. 14.5 of Agreement |
| 2. | Local dialing parity* | No charge | |
| 3.a. | Reciprocal call termination Local Traffic delivered to MFS Interconnection Point* First year* | | \$.009/mou |
| | After first year* | | In accordance with note 6 below |
| 3.b. | Access charges for termination of intrastate and interstate Toll Traffic | | Per MFS interstate and intrastate access rates (charged in conjunction with Local Traffic, using PLU and PIU, as appropriate) |
| 4. | All other MFS services available to BA for purposes of effectuating local exchange competition | Available at MFS tariffed or otherwise generally available rates, not to exceed BA rates for equivalent services available to MFS | |
| 5. | Other Services Information Service billing fee | No Charge | \$.03 per call |

6 LOCAL TRAFFIC TERMINATION RATES (AFTER FIRST YEAR)

A. Charges by BA

- (a) Traffic delivered to BA Local Serving Wire Center ("LSWC") or BA Access Tandem: \$.009 per mou
- (b) Traffic delivered directly to terminating BA End Office: \$.007 per mou

Note: All BA-IPs identified in Schedule 4.0 as of the Effective Date are LSWC or Access Tandems. Therefore, Local Traffic delivered to such BA-IPs shall be subject to the rate of \$.009 per mou.

B. Charges by MFS

1. Single-tiered interconnection structure:

MFS's rates for the termination of BA's Local Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The initial Rate Determination Date shall be the first anniversary of the Effective Date. The methodology for recalculating the rates is as follows:

LSWC/Access Tandem Minutes = Total minutes of use of Local Traffic delivered by MFS to the BA LSWC or BA Access Tandem for most recent billed month.

End Office Minutes = Total minutes of use Local Traffic delivered by MFS directly to the terminating BA End Office for most recent billed month.

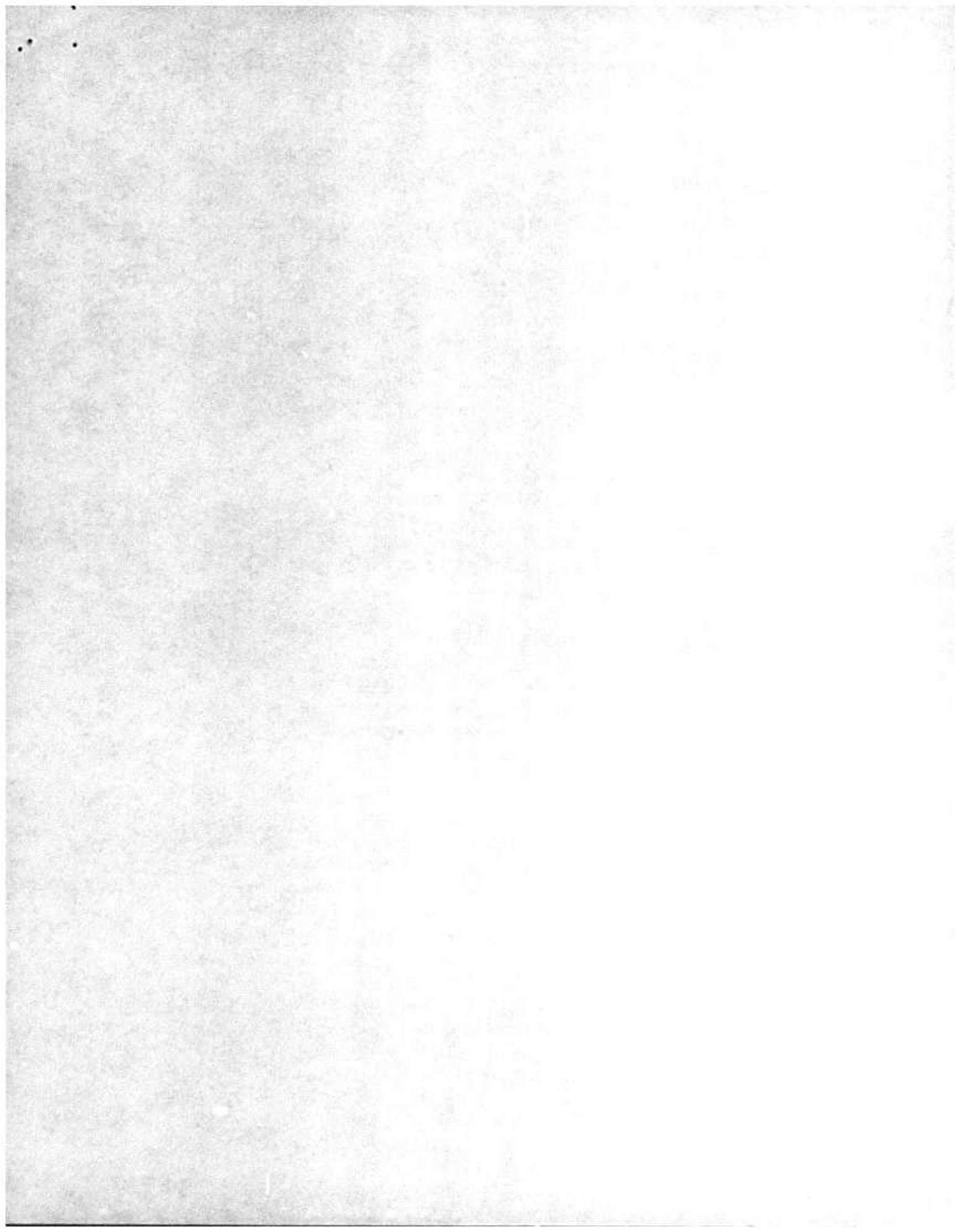
Total Minutes = Total minutes of use of Local Traffic delivered by MFS to BA for most recent billed month.

MFS Charge at the M-IP =

$$\frac{(\text{LSWC/Access Tandem Minutes} \times \$0.009) + (\text{End Office Minutes} \times \$0.007)}{\text{Total Minutes}}$$

2. Multiple-tiered interconnection structure (if offered by MFS to any carrier)

- (a) Local Traffic delivered to MFS LSWC or MFS Access Tandem: \$.009
- (b) Local Traffic delivered to terminating MFS End Office/node: \$.007



C. Miscellaneous Notes

1. In the event a Party desires to deliver Local Traffic to a LSWC (i) that is not located within 25 miles of the Tandem Office to which it is subtended, and/or (ii) where the Tandem Office that it subtends is not located within 25 miles of the Tandem Office that is subtended by the terminating End Office, then such Party shall (x) in addition to paying the LSWC/Access Tandem termination rate described above, purchase the necessary facilities from the terminating Party to transport such Traffic to a qualifying LSWC or Access Tandem that is not subject to either conditions (i) or (ii) above, (y) purchase such other service(s) as the terminating Party may offer under applicable tariff to remedy such condition(s), or (z) enter into a new compensation arrangement as the Parties may agree. Notwithstanding the foregoing, nothing in this Agreement shall obligate BA to provide switching services at a LSWC when it functions as such.

2. In the event the two-tiered rate structure described above is modified pursuant to Applicable Law to a single rate structure, BA and MFS (to the extent MFS is offering a multiple-tiered interconnection structure) shall each have the right to apply its tariffed switched access transport charges for transporting Local Traffic it receives at its LSWC to the first point of switching in its network in the LATA.

3. The MFS termination rate under the single-tiered interconnection structure set forth above is intended by the Parties to be a Local Traffic termination rate for Interconnection to the M-IP within each LATA that is reciprocal and equal to the actual rates that will be charged by BA to MFS under the two-tiered Local Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date. The single MFS termination rate is also intended to provide financial incentives to MFS to deliver traffic directly to BA's terminating End Offices once MFS's traffic volumes reach an appropriate threshold. The Parties agree that the Reciprocal Compensation rate(s) set forth herein recover a reasonable approximation of each Party's additional costs of terminating calls that originate on the network facilities of the other Party.

EXHIBIT B

NETWORK ELEMENT BONA FIDE REQUEST

1. Each Party shall promptly consider and analyze access to a new unbundled Network Element with the submission of a Network Element Bona Fide Request hereunder. The Network Element Bona Fide Request process set forth herein does not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (rel. October 19, 1992), Paragraph 259 and Footnote 603 or subsequent orders.

2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element, the telecommunications service(s) to be provided by the requesting Party using the requested Network Element(s), the means of Interconnection, the number or volume requested, the locations, and the date(s) such Network Elements are desired. The requesting Party shall either make a binding commitment to order the Network Elements requested in the quantity and within the time frame requested or to pay the requested Party the costs of processing the Requests.

3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.

4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.

5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.

6. If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and otherwise qualifies under the Act, it shall promptly proceed with developing the requested Network Element upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.

7. Unless the Parties otherwise agree, the requested Network Element must be priced in accordance with Section 252(d)(1) of the Act.

8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the requested Network Element, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates and the installation intervals.

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the requested Network Element pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, or is failing to act in accordance with section 251 of the Act, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

EXHIBIT C

**DIRECTORY ASSISTANCE AND CALL COMPLETION
SERVICES AGREEMENT**

THIS AGREEMENT is made, effective this ____ day of _____, 1996, by and between Bell Atlantic Network Services, Inc. (hereinafter referred to as "Bell Atlantic"), a Delaware corporation with offices at 13100 Columbia Pike, Silver Spring, MD 20904, and _____, (hereinafter referred to as "Carrier"), a _____ corporation with offices at _____.

1. SCOPE AND TERM OF AGREEMENT

1.1 Scope This Agreement sets forth the terms and conditions which shall govern the use of and payment for Directory Assistance (DA) Service and IntraLATA Call Completion Service (hereinafter collectively referred to as "Services") to be provided by Bell Atlantic, or its affiliated companies, to Carrier. Carrier shall subscribe to and pay for Services for Carrier's local exchange customers in the _____ LATAs.

1.2 Term The initial term of this Agreement shall commence as of 12:01 a.m. on the date first written above and shall expire upon the conclusion of the subscription period selected by Carrier in Appendix A. At the end of this initial term, this Agreement, including Carrier's subscription to Services, shall automatically renew for the same length of time as the initial subscription period unless either party provides written notice to the other of its intent to terminate at least three (3) months prior to the expiration of the current term.

2. DESCRIPTION OF SERVICES

2.1 Directory Assistance (DA) Service

a. Directory Assistance Service shall consist of 1) directory transport by Bell Atlantic from the point of Bell Atlantic's interconnection with Carrier's trunks to Bell Atlantic's designated DA locations, and 2) the provision of telephone number listings by Bell Atlantic Carrier Call Representatives (CCRs) in response to calls from Carrier's local exchange customers located in the LATAs designated in Section 1.1, at the rates specified in Appendix A.

b. A maximum of two requests for telephone numbers will be accepted per DA call. A "DA call" as used in this Agreement shall mean a call answered by or forwarded to Bell Atlantic, regardless of whether a telephone number is requested, provided or available. The listings that will be available to Carrier's customers are those telephone numbers that are listed in Bell Atlantic's DA records for the LATAs or NPAs designated in Section 1.1.

2.2 Connect ReQuest™ Service

a) Connect ReQuest™ Service is an optional DA call completion service. It provides Directory Assistance end users the option of placing a call to a requested DA listing without having to hang up and redial. If a caller requests two numbers on a DA call, only the second number will be completed using Connect ReQuest™.

b) Connect ReQuest™ requires that the Carrier meet switching, facility, and other technical standards as required by Bell Atlantic to provide this Service. Bell Atlantic will deliver all Connect ReQuest™ calls back to the Carrier for completion.

2.3 IntraLATA Call Completion Service

a) IntraLATA Call Completion Service consists of the live and automated call completion services specified in Appendix B, including the completion of collect, card and bill-to-third party calls; busy line verification; customer requested interrupt; and other assistance to callers. IntraLATA Call Completion Service includes the support of the Bell Atlantic carrier call centers and call completion facilities used to provide such services to Carrier.

b) Bell Atlantic will provide Carrier with unrated records for the call completion services provided by Bell Atlantic on behalf of Carrier. The rating, billing, and settlement of end-user charges for the calls are the responsibility of Carrier.

2.4 Branding Branding is a service option that permits the Carrier to deliver a customized front end announcement to its callers, identifying the Carrier as the customer service provider. Branding is available for DA as well as Call Completion Services. Carrier shall provide the information required by Bell Atlantic to create this announcement. Branding also requires that the Carrier maintain dedicated trunking arrangements to the designated Bell Atlantic DA or operator switch location.

2.5 Carrier Subscription Selection Form The specific Services to which Carrier shall subscribe and the applicable service subscription periods are contained in Appendix A ("Carrier Subscription Selection Form").

3. COMMENCEMENT AND IMPLEMENTATION OF SERVICE

3.1 Technical Questionnaire Each party shall make good-faith efforts to carry out its respective responsibilities in meeting a jointly established schedule for implementation. All records and other required information specified in Appendix C will be furnished by Carrier at least sixty (60) days prior to the commencement of Services (i.e., the cutover date described in Section 3.2.) Notices of any changes, additions, or deletions to such records and information shall be provided promptly in writing by Carrier to Bell Atlantic.

3.2 Cutover The cutover date for a selected Services shall be the date on which such Service shall be available to all of Carrier's local exchange customers in the LATAs designated in Section 1.1. The subscription term set forth in Appendix A for such Services shall commence on the cutover date.

3.3 Service Review Meetings Bell Atlantic will meet and confer with Carrier during the term of this Agreement to review and discuss the Services provided under this Agreement. The times for meetings will be established by mutual agreement of the parties.

4. EQUIPMENT AND FACILITIES

4.1 Bell Atlantic will establish and maintain such access equipment and related facilities for its Carrier Call Centers as may be necessary to perform the Services specified in Appendix A, provided that Carrier furnishes Bell Atlantic the information specified in Appendix C and any changes in such information in a timely and accurate manner. Any additional Services that Carrier seeks during the term of this Agreement will be subject to mutual agreement and the availability of facilities and equipment.

4.2 Carrier will provide and maintain such equipment within its premises as is necessary to permit the Bell Atlantic to perform the agreed upon Services in accordance with Bell Atlantic standard equipment operation and traffic operation procedures.

4.3 Carrier Transport and Switched Access Connection

a) Carrier shall, at its expense, arrange for and establish the trunking and other transport, interface, and signaling arrangements required for Bell Atlantic to provide Services to Carrier. Separate dedicated trunks for each NPA or LATA may be required. Any trunks or other transport and access that Carrier obtains from Bell Atlantic to deliver Carrier's calls to Bell Atlantic shall be provided pursuant to the applicable tariffs, and not under this Agreement. Bell Atlantic agrees to coordinate the scheduling of Services to be provided under this Agreement with the scheduling of any trunking or related services provisioned by Bell Atlantic under the tariffs.

b) Carrier shall specify the number of trunks required for Services. For Directory Assistance Service, Carrier must provide Feature Group D (FGD) trunks directly to the location designated by Bell Atlantic. For IntraLATA Call Completion Service, Carrier must provide trunks with operator services signaling directly to the location designated by Bell Atlantic. Bell Atlantic shall provide Carrier at least three (3) months advance notice in the event of any change in designated locations.

5. PAYMENT FOR SERVICES

5.1 Rates Carrier agrees to pay for Services at the rates contained in Appendix A.

5.2 Settlements Carrier shall render payment to Bell Atlantic net thirty (30) calendar days from the date of delivery of the Service or from the date of billing for the Service, whichever occurs later. Carrier shall pay interest on any amount overdue at the rate of fifteen (15) percent per annum.

5.3 Taxes The rates specified in this Agreement and Appendices are exclusive of all taxes, duties or similar charges imposed by law. Carrier shall be liable for and shall reimburse Bell Atlantic for any sales, use, excise or other taxes applicable to the services performed under this Agreement.

5.4 Liquidated Damages In the event that Carrier discontinues using Bell Atlantic's Services in whole or in part, or terminates this agreement prior to the expiration of the subscription term, the parties agree that Bell Atlantic will incur expenses and damages that will be difficult to calculate. Therefore, the parties agree that in the event of such discontinuance or termination, Carrier shall pay an amount equal to the charges billed for the month in which the highest usage of Services occurred, multiplied by the number of months remaining in the then-current term, or b) the sum of \$100,000, whichever is greater. If Carrier causes this Agreement to terminate before the commencement of any Service selected in Appendix A, Carrier shall pay for all costs already incurred by Bell Atlantic in establishing and preparing for the commencement of such Service or the sum of \$100,000, whichever is greater.

5.5 Carrier's Customers Carrier shall be responsible for all contacts and arrangements with its customers concerning the provision and maintenance, and the billing and collection, of charges for Services furnished to Carrier's customers.

6. LIMITATION OF LIABILITY

6.1 Direct Damages In the event that Bell Atlantic, through negligence or willful misconduct, fails to provide the Services selected and contracted for under this Agreement, Bell Atlantic shall be liable to Carrier for Carrier's direct damages resulting from such failure, up to an amount not to exceed the payment of charges under this Agreement for the Services affected.

6.2 Other Remedies The extent of Bell Atlantic's liability arising under this Agreement shall be limited as described in paragraph 6.1 above. In no event shall Bell Atlantic be liable for any other loss, cost, claim, injury, liability, or expense related to or arising out of this Agreement or the Services provided hereunder including, but not limited to, any incidental, special, indirect, or consequential damages, including but not limited to loss of revenue or profit, whether recovery is sought in tort, contract, or otherwise, even if Bell Atlantic had notice of such damages.

7. DEFAULTS AND TERMINATION

7.1 Defaults or Violations If Carrier defaults in the payment of any amount due hereunder, or if Bell Atlantic fails to provide Services as agreed hereunder, and such default or failure shall continue for thirty (30) days after written notice thereof, the other company may terminate this agreement with seven (7) days written notice.

8. CONFIDENTIAL INFORMATION

8.1 Confidentiality The parties agree that all confidential and proprietary information that is marked as specified in Section 8.2 and that is disclosed by either party to the other party for the purposes of this Agreement, including rates and terms, shall be treated as confidential unless a) such information was previously or becomes known to the receiving party free of any obligation to keep it confidential, b) has been or is subsequently made public by the disclosing party, or c) is required to be disclosed by law. The receiving party shall not, except in the performance of the Services under this Agreement or with the express prior written consent of the other party, disclose or permit access to any confidential information to any other parties. The parties agree to advise their respective employees, agents and representatives to take such action as may be advisable to preserve and protect the confidentiality of such information.

8.2 Marking of Confidential Information All information the disclosing party considers proprietary or confidential, if in writing or other tangible form, shall be conspicuously labeled or marked as "Proprietary" or "Confidential" and, if oral, shall be identified as proprietary at the time of disclosure and promptly confirmed in writing. Either party shall have the right to correct any inadvertent failure to designate information as proprietary by written notification within ten (10) days following disclosure.

9. RELATIONSHIP OF THE PARTIES

9.1 Independent Contractors Bell Atlantic and Carrier shall be independent contractors under this Agreement and all services under this Agreement shall be performed by Bell Atlantic as an independent contractor and not as an agent of Carrier.

9.2 Responsibility for Employees and Agents All persons furnished by Bell Atlantic shall be considered solely Bell Atlantic's employees or agents, and Bell Atlantic shall be responsible for compliance with all laws, rules, and regulations relating to such persons including, but not limited to, hours of labor, working conditions, workers' compensation, payment of wages, benefits, unemployment, social security and other payroll taxes. Each party's employees and agents, while on premises of the other, shall comply with all rules and regulations, including any applicable security procedures and safeguarding of confidential data.

10. GENERAL CONDITIONS

10.1 Assignment Neither party may assign or delegate its rights and obligations under this Agreement without the prior written consent of the other party except that Bell Atlantic may assign this Agreement to an affiliate or subsidiary without such consent.

10.2 Choice of Law The validity, construction and performance of this Agreement shall be governed by the laws of _____.

10.3 Compliance with Laws Each party shall comply with all applicable federal, state, county and local laws, ordinances, regulation, rules and codes in the performance of this Agreement. Neither party shall be liable to the other for termination of this Agreement or any services to be provided hereunder necessitated by compliance with any law, rule, regulation or court order of a duly authorized governmental body.

10.4 Contingency Neither party shall be held responsible or liable to the other for any delay or failure in performance caused by fires, strikes, embargoes, requirements imposed by Government regulation, civil or military authorities, act of God or by the public enemy, or other causes beyond the control of Carrier or Bell Atlantic. If such a contingency occurs, the party injured by the other's inability to perform may: a) terminate the affected services or part thereof not already rendered; or b) suspend the affected services or part thereof for the duration of the delaying cause and resume performance once the delaying causes cease.

10.5 Licenses No licenses, expressed or implied, under any patents, copyrights, trademarks or other intellectual property rights are granted by Bell Atlantic to Carrier under this Agreement.

10.6 Notices Except as otherwise specified in this Agreement, any notice required or permitted under this Agreement shall be in writing and shall be given to the other party at the address designated below by hand delivery, registered return-receipt requested mail, confirmed facsimile, or nationally recognized courier service:

For Bell Atlantic: Bell Atlantic Network Services, Inc.
13100 Columbia Pike, D39
Silver Spring, MD 20904 --
Attn: _____, Product Manager

For Carrier:

The above addresses may be changed by giving thirty (30) calendar days prior written notice as prescribed above. Notice shall be deemed to have been given or made on the date of delivery if received by hand, facsimile or express courier, and three days after delivery to the U.S. Postal Service, if mailed.

10.7 Publicity Bell Atlantic and Carrier agree to submit to each other prior to publication all advertising, sales promotions, press releases and other publicity matters containing or mentioning a) the services performed by Bell Atlantic under this Agreement, b) either party's name or marks, or c) language from which either party's names or marks may be inferred or implied. Bell Atlantic and Carrier further agree not to publish or use any such advertising, sales promotion, press releases, or publicity matters unless it obtains the other party's prior written consent.

10.8 Severability If any provision of this Agreement or the application of any provision shall be held by a tribunal of competent jurisdiction to be contrary to law or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

10.9 Survival All obligations hereunder, incurred by either Bell Atlantic or Carrier prior to the cancellation, termination or expiration of this Agreement shall survive such cancellation, termination or expiration.

10.10 Captions and Section Headings The captions and section headings in this Agreement are for convenience only and do not affect the meaning or interpretation of this Agreement.

10.11 Duplicate originals This Agreement may be executed separately by the parties in one or more counterparts. Each duplicate executed shall be deemed an original, and all together shall constitute one and the same document.

10.12 Nondisclosure of Agreement Each party agrees not to disclose the terms and conditions of this Agreement to any third party, except that it shall not be deemed a breach of this provision for the parties to disclose the terms and conditions of this

Agreement to their respective subsidiaries and affiliated companies or to any duly constituted governmental body which requires disclosure.

10.13 Entire Agreement The terms and conditions of this Agreement, including Appendices A, B, and C attached to this Agreement, constitute the entire Agreement between Bell Atlantic and Carrier relating to the subject matter of this Agreement, and supersede any and all prior or contemporaneous understandings, promises or representations, whether written or oral, between the parties relating to the subject matter of this Agreement. Any waiver, modification or amendment of any provision of this Agreement, or of any right or remedy hereunder, shall not be effective unless made in writing and signed by both parties.

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.

**BELL ATLANTIC
NETWORK SERVICES, INC.**

Name: _____

Title: _____

Signature: _____

Date: _____

Name: _____

Title: _____

Signature: _____

Date: _____

APPENDIX A

CARRIER SUBSCRIPTION SELECTION FORM

| CONTRACT DA SERVICE SELECTED | SUBSCRIPTION PERIOD | RATE PER CALL |
|--|------------------------|------------------|
| Directory Assistance - Standard | Year(s) | |
| Directory Assistance - Standard with Front End Branding* | Year(s) | |
| Directory Assistance - Live Response | Year(s) | |
| Directory Assistance - Live Response with Front End Branding* | Year(s) | |
| Directory Assistance Call Completion | Year(s) | |
| IntraLATA Call Completion | Year(s) | See rates below |
| Branded IntraLATA Call Completion* | Year(s) | See rates below |

* Plus nonrecurring Branding Fee of \$ _____.

For informational purposes, the following are the charges for Directory Transport to be provided under the applicable tariffs. (Call miles are measured from the BA Wire Center serving Carrier's premises to the DA location):

| Call Miles | Rate Per Call |
|-------------------------|---------------|
| 0 to 1 mile | \$ 0.0014 |
| > 1 to 4 miles | 0.0015 |
| > 4 to 8 miles | 0.0016 |
| > 8 to 16 miles | 0.0018 |
| > 16 to 25 miles | 0.0018 |
| > 25 to 50 miles | 0.0019 |
| > 50 to 200 miles | 0.0020 |

| Call Completion Rates | | | |
|---|------------------|-----------------------------------|---|
| Total Annual Call Volume (all calls) | Auto per call | Auto Collect/ Third (per call) | Live CCR Handled per CCR work second |
| 0 - 20,000 | | | |
| 20,001 - 100,000 | | | |
| 100,001 + | | | |

- Notes: 1) Trunking and switched access costs are not included in the above DA and Call Completion rates.
 2) Rates for automated IntraLATA Call Completion calls are based on call attempts.

 Signature (Bell Atlantic)

 Signature(Carrier)

BELL ATLANTIC RATE SHEET

MARYLAND LOCAL EXCHANGE CARRIER DIRECTORY ASSISTANCE

Directory Assistance Call Charge (per call, based on length of contract)

| Type of Service | Month-to-Month | 1-year | 3-year |
|--|----------------|--------|--------|
| Standard | \$.275 | \$.25 | \$.23 |
| Standard w/Customized Branding* | .278 | .253 | .233 |
| Live Carrier Call Representative (CCR) | .285 | .26 | .24 |
| Live CCR w/Customized Branding* | .288 | .263 | .243 |

* Customized branding fee (non-recurring charge): \$6,000

Connect ReQuest™ Directory Assistance Call Completion (optional)

| | | | |
|---|--------|--------|--------|
| Charge per Request (in addition to above charges) | \$.27 | \$.25 | \$.22 |
|---|--------|--------|--------|

Directory Transport Charge

(For each call to Directory Assistance service; call miles measured from the wire center serving the customer's premises to the DA location).

| | Rate Per Call |
|------------------------------|---------------|
| Tandem-Switched Transmission | |
| Fixed | \$0.000080 |
| Per mile | 0.000017 |
| Tandem Switching | 0.000350 |
| Interconnection | 0.003085 |

Trunk installation charges are not included.

PROPOSED PRICING TERMS
INTRALATA CALL COMPLETION SERVICES
COMPETITIVE LOCAL EXCHANGE CARRIERS

(Prices effective June 1, 1996)

| Total Annual Call Volume (all calls) | Two Year Term | | | Three Year Term | | | Five Year Term | | |
|--|----------------------------|---|----------------------------------|----------------------------|---|----------------------------------|----------------------------|---|----------------------------------|
| | Auto Card (per call) | Auto Collect/ Third (per call) | Operator Handled (per OWS) | Auto Card (per call) | Auto Collect/ Third (per call) | Operator Handled (per OWS) | Auto Card (per call) | Auto Collect/ Third (per call) | Operator Handled (per OWS) |
| 0 - 20,000 | \$0.15 | \$0.20 | \$0.0145 | \$0.14 | \$0.19 | \$0.0141 | \$0.13 | \$0.18 | \$0.0136 |
| 20,001 - 100,000 | \$0.14 | \$0.19 | \$0.0141 | \$0.13 | \$0.18 | \$0.0136 | \$0.12 | \$0.17 | \$0.0131 |
| 100,001 + | \$0.13 | \$0.18 | \$0.0136 | \$0.12 | \$0.17 | \$0.0131 | \$0.11 | \$0.16 | \$0.0126 |

Notes: **Trunking costs are not included in the above rates.**
 The rates quoted above for automated calls are based on call attempts.
 All prices include company specific branding.

PROPRIETARY INFORMATION
*Not for use or disclosure outside Bell Atlantic
except under written agreement.*

APPENDIX B

INTRALATA CALL COMPLETION SERVICES

- A. Calling Card
Bell Atlantic Carrier Call Representative keys the calling card number and call details into the system, secures validation, and releases the call into the network.
- B. Collect
Bell Atlantic Carrier Call Representative obtains the calling party's name, keys the call details if necessary, announces the call to the called party, waits for acceptance, and releases the call into the network.
- C. Billed To A Third Party
Bell Atlantic Carrier Call Representative requests the calling party's name, keys the call details if necessary, calls the third party to verify acceptance of billing, and releases the call once acceptance is given.
- D. Assistance - Other
Bell Atlantic Carrier Call Representative will dial a called number for the customer for any of the following reasons:
1. Customer encounters trouble such as wrong number, poor transmission or cutoff, and requests a credit or reconnection.
 2. Customer desires time and charges at the end of conversation.
 3. Customer requires dialing assistance due to a disability..
 4. Customer is unwilling to dial call.
- E. Person-to-Person
Bell Atlantic Carrier Call Representative requests the person or department the calling party has specified, ensures appropriate party has been reached (person or department), and releases call.
- F. Busy-Line Verification
Bell Atlantic Carrier Call Representative determines if the number specified by the customer is in use, idle, or out of order.
- G. Customer-Requested Interrupt

At the customer's request, Bell Atlantic Carrier Call Representative will interrupt conversation in progress on a line that has been verified in use.

APPENDIX B (cont'd)

H. Assistance (0-)

Bell Atlantic Carrier Call Representative will provide customer dialing instructions, assistance with emergency calls, area code information, and business office or repair service.

I. Validation Services

Bell Atlantic will launch a query for the validation of all calling card calls, collect calls, billed-to-third number calls and public telephone checks to a Line Information Data Base (LIDB). The query costs for query of the Bell Atlantic LIDB are included in Bell Atlantic Carrier Call Representative (CCR) Work Second or Automated call rate specified in Appendix A. Bell Atlantic will also launch queries as stated for validations to other companies' LIDBs.

APPENDIX C

EXCHANGE OF INFORMATION

Technical information will be furnished via the use of a Technical Questionnaire to be provided by Bell Atlantic. Such information will include, but not be limited to, the following:

1. Central Office Exchange Names
2. Usage Forecasts
3. Local Central Office Characteristics
4. Trunking Arrangements and Trunk Group Types
5. Emergency Reporting System and Procedures
6. Business Office Information
7. Repair Service Information
8. Name and Address Request Information
9. Tariffs and Rate Information
10. Customer Dialing Capabilities
11. Access to EMI Records

7330 Shawnee Mission Parkway
Westwood, KS 66205

Local Telecommunications Division

(913) 624-2261

August 16, 1996

Mr. Timothy T. Devins
Senior Director, External & Regulatory Affairs
Southern Region
MFS Communications Company, Inc.
Six Concourse Parkway, Suite 2100
Atlanta, GA 30328-5351

via fax and mail

Dear Tim:

Enclosed is Sprint's response to issues of disagreement in MFS's July 3, Florida Interconnection Agreement:

page 6, 1.42: "...In no event shall the Local Traffic area for purposes of local call termination billing between the parties ever be decreased." Sprint cannot control what a local traffic area might be in the future and thus, this sentence should be stricken.

page 6, 1.43: Delete the language on number portability and substitute the following (FCC Order 95-116): "The term number portability means the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another."

page 14-15, 4.2: Sprint cannot agree to SONET in all locations. Sprint will use SONET, where available, but will not deploy SONET outside of our normal network budget process.

page 15, 4.2.1: Sprint cannot agree to MFS's OLTN selection process. Certain types of OLTN are not compatible and thus, Sprint would prefer to negotiate an acceptable list of OLTNs that are compatible for deployment in our networks.

page 16, 4.2.5: Sprint proposes only to be responsible for network provisioning of 50% of the interconnection facilities or the distance from the SIWC to the exchange boundary of the SIWC, whichever is less. Sprint does not want to be responsible to build to an ALEC switch, outside of its traditional exchange boundary.

August 16, 1996

Page 2

page 21, 5.4: MFS would probably be "in business" in less than 75 days from the signing of an agreement and thus, interim one-way trunks may not be possible under the MFS language in the section. One-way trunks, on an interim basis, could be a viable option to address billing issues and thus should be considered in the agreement.

page 22, 5.7: We are not familiar with CPN methodology described and require further explanation. We cannot agree to this methodology at this time.

page 24, 5.8.2: This is not acceptable if MFS plans to interconnect with Sprint at a tandem and Sprint interconnects with MFS at an end office. Tandem switching is a separately chargeable element based on TELRIC/TSLEIC.

page 24-25, 5.8.5: This should be deleted. Compensation for INP calls will be handled the same as normal local and toll calls between our two companies.

page 29, 7.1.2: LECs bill their own end users for information service calls, there is no exchanging of records for these type of calls. Since the 976 service provider has contracted with the service provider owning the terminating number, the provider serving the originating number would not know the rates to apply to the 976 message. A process would need to be set up to remit revenue collected less B&C fees and this has not been analyzed as to viability. Further, intraLATA alternate billed calls that Sprint receives in collect will be populated with the Return Code=50 and the OCN of the ALEC.

page 31, 7.3.5: Remove this language. Sprint will have a specific transiting arrangement that takes into account MFS' interconnection with Sprint. Sprint will not replicate a historical arrangement it might have with another LEC. Historical arrangements with LECs will be renegotiated over the next 6-12 months.

pages 36-37, 9.5.5 & 9.5.6: Sprint cannot agree to these time commitments.

page 37, 9.6.1: Sprint will offer deaveraged pricing, but will have more than three zones and thus, we do not want this "limiting" language.

page 38, 9.8.4: Sprint cannot agree to language that does not allow it to recover costs, when it incurs costs. There would probably be costs incurred by Sprint to convert a bundled service to an unbundled service.

page 39, 9.8.6: There may be special construction, channel banks necessary, to provide an unintegrated loop behind a DLC/OPM.

page 39, 9.8.8: Add "when available" to the last sentence of this paragraph.

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Page 3

page 41, 12.1: Add language that states that "no switching equipment" would be allowed in a collocated space.

page 41, 12.3: Sprint can only agree to this language if it does not incur any costs to convert back to a physical collocation.

page 42, 12.4: add "non-recurring" charges. Sprint would charge NRC if applicable.

page 42, 12.6: Sprint would assess the following charges for a carrier to carrier connection: mux-to-mux rate an ECC on each end, and possibly some internal cable and conduit. An ECC would only incorporate a "jumper" distance between the two multiplexers. So if two carriers are further apart than a jumper could handle, then internal cable and conduit would apply.

page 43, 13.2.2: In the short term, due to current system limitations, Sprint is prepared to deliver via electronic data transfer, multiple end user format bills for all usage based services. Every effort will be made to minimize the number of billing accounts and we project the number to be between 12 and 20 per state. Another OBF access format bill will be produced for all flat rate services. We are still in the planning stages of developing a method to consolidate the billing into a master billing statement. The industry guidelines for ILEC and ALEC billing are in the process of being developed and we intend to implement those standards, as soon as possible, after they become final.

page 45, 13.10: The FCC did not estimate rates for RCP and DID. Thus, this language is not acceptable.

page 47, 17.1: Sprint proposes to use its own language for this section. Sprint's language can be found on pages 27 and 28, Section XVII(B) of its Draft Interconnection and Resale Agreement, dated August 12, 1996.

pages 49, 50, 19.2: Replace the language with Sprint's language from pages 14-16 (B) from Sprint's Draft Interconnection and Resale Agreement, dated August 12, 1996.

pages 56, 64, 65, 71, 20.14, 28 (all) and 35 (all): Sprint proposes to delete all sections and substitute in lieu thereof, Sprint's Sections XXVI & XXVII in its Draft Interconnection and Resale Agreement, dated August 12, 1996.

pages 59-62, 23.0: Remove all language on Stipulated Damages.

pages 62-63, 24.0: remove all language and substitute Sprint's Section X, in its Draft Interconnection and Resale Agreement, dated August 12, 1996.

August 16, 1996
Page 4

page 65, 29.0: Remove MFS language on Assignment and substitute Sprint's Section XXVIII, from its Draft Interconnection and Resale Agreement dated August 12, 1996.

As we discussed, Sprint is willing to use the FCC proxies for interconnection prices, until such time as the FPSC issues an order on interconnection prices and thus, would like all prices proposed by MFS to be substituted with FCC proxies.

Another issue that we need to address is our commitment to the FPSC, that our two companies develop a joint list of the issues for our Arbitration case. I suggest that the following issues are the unresolved issues as identified by the FPSC staff, based on your petition in the case. I will assume that you will submit the following, as our list of the unresolved issues, unless I hear otherwise from you by 8:00 a.m. on Monday, August 19:

Issues for MFS-FL and Sprint United/Centel-FL

UNRESOLVED:

1. What are the appropriate arrangements for the network interconnection architecture between MFS-FL and Sprint United/Centel?
2. What is the appropriate reciprocal compensation rate and arrangement for local call termination between MFS-TL and Sprint United/Centel?
3. Is it appropriate for Sprint United/Centel to offer the following unbundled loops and if so at what rate:
 - a. 2-wire analog voice grade loop;
 - b. 4-wire analog voice grade loop; and
 - c. 2-wire ISDN digital grade loop.
4. Is it appropriate for Sprint United/Centel to provide MFS with 2-wire ADSL compatible, and 2-wire and 4-wire HDSL compatible loops? If so, what are the appropriate rates for these loops?
5. What are the appropriate rates, terms and conditions, if any, for billing, collection and rating of information services traffic between MFS-FL and Sprint United/Centel?
6. What is the appropriate rate for interin number portability via remote call forwarding provided by Sprint to MFS-FL pursuant to Order?
7. Should the interconnection agreement between MFS-FL and Sprint include provisions for liquidated damages for specified performance breaches? If so, what provisions should be included?

August 16, 1996
Page 5

8. What arrangements, if any, are appropriate for the assignment of NXX codes to respective ALECs?
9. What arrangements, if any, are appropriate arrangements for tandem subtending and Meet-Point Billing?
10. What are the appropriate arrangements for trunking between MFS-FL and Sprint?
11. Is it appropriate for Sprint customers to be allowed to convert their bundled service to an unbundled service and assign such service to MFS-FL, with no penalties, rollover, termination or conversion charges to MFS or the customers?
12. What are the appropriate arrangements for the following:
 - a. Interconnection between MFS and other collocated entities
 - b. 911/E-911
 - c. Information services billing and collection
 - d. Directory listings and distribution
 - e. Directory assistance service
 - f. Yellow page maintenance
 - g. Transfer of service announcements
 - h. Coordinated repair calls
 - i. Busy line verify and interrupt
 - j. information pages
 - k. Operator reference database

Please call if you have questions on anything outlined herein and I look forward to our face-to-face meeting on August 29-30 to discuss an Interconnection Agreement.

Sincerely,


Jack K. Burge

cc: Bill Cheek
Jim Eichter
Mike Hunsucker
John Clayton
Craig Smith
Jerry Johns
Dean Kurtz
Ben Poag

August 15, 1996

Mr. Timothy T. Devine
Senior Director, External & Regulatory Affairs
MFS Communications Company, Inc.
Six Concourse Parkway, Suite 2100
Atlanta, GA 30328-5357

VIA-FAX
(770) 390-6787

Dear Tim:

Note: Contents of this fax are subject to NON-Disclosure, as this material contains Sprint Proprietary Information.

Enclosed are the prices that I promised you.

Please call if you have questions.

Sincerely,

Jack K. Burge
913-624-2261

**FAXED ATTACHMENTS
REDACTED**

PROPRIETARY

**MFS/GTE
INTERIM FLORIDA CO-CARRIER AGREEMENT**

Pursuant to this agreement, Metropolitan Fiber Systems of Florida, Inc. ("MFS") and GTE Florida Incorporated ("GTE") (collectively, "the Parties") will extend certain arrangements to one another within each LATA in which they both operate within the state of Florida, as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

WHEREAS the Parties intend to negotiate a permanent agreement pursuant to Section 251 of the Telecommunications Act of 1996, but desire to enter into an interim interconnection agreement pending completion of the permanent agreement under federal law; and

WHEREAS this Agreement is not intended by either Party to constitute compliance with the requirements of Section 251(c) of the Telecommunications Act of 1996; and

WHEREAS, MFS and GTE have agreed on interim interconnection terms and conditions; and

WHEREAS, universal connectivity between common carriers is the defining characteristic of the public switched telecommunications network in which all common carriers participate; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, in the service of maximum inter-operability, the Parties should be able to efficiently, flexibly, and robustly exchange traffic and signaling at well-defined and standardized points of mutually agreed interconnection; and

WHEREAS, GTE is a local exchange telecommunications company (LEC) as defined by Section 364.02(6) of the Florida Statutes. Metropolitan Fiber Systems of Florida, Inc. (MFS) is an alternative local exchange telecommunications company (ALEC) as defined by Section 364.02(1); and

WHEREAS, Section 364.16, Florida Statutes, requires, among other things, GTE to provide access to, and interconnection with, its telecommunications facilities to any other provider of local telecommunications services requesting such access and interconnection at non-discriminatory prices, rates, terms, and

AUG-13-1996 11:07 FROM GTE TELOPS-LEGAL REG DEPT

MFS/GTE

INTERIM FLORIDA CO-CARRIER AGREEMENT

conditions established by the procedures set forth in Section 364.162, Florida Statutes; and

WHEREAS, Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling databases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost; and

WHEREAS, Sections 364.16 and 364.161 also requires LECs and ALECs to attempt to negotiate satisfactory rates, terms and conditions for interconnection and unbundling. If such negotiations fail, either party has the right to file a petition with the Florida Public Service Commission to establish such rates, terms and conditions; and

WHEREAS, on January 24, 1996, MFS filed petitions before the Commission in Docket Nos. 950984 and 950985 asking the Commission to establish rates, terms and conditions for interconnection and the provision of GTE Florida unbundled services and features to MFS; and

WHEREAS, GTE and MFS, in an effort to avoid the uncertainties and expense of litigation before the Commission and appeals before the courts, desire to enter the following agreement which will serve as a partial settlement of Docket Nos. 950984 and 950985 noted above; and

WHEREAS, GTE and MFS acknowledge and understand that this Agreement is entered into to resolve issues and matters which are unique to the State of Florida and is a result of compromise and negotiation. The parties further acknowledge that none of the provisions set forth herein shall be proffered by either GTE or MFS or any of their affiliates in this or any other jurisdiction as evidence of any concession or as a waiver of any position or for any other purpose.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MFS and GTE hereby covenant and agree as follows:

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.

**MFS/GTE
INTERIM FLORIDA CO-CARRIER AGREEMENT**

- B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Commission" means the Florida Public Service Commission (PSC).
- F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- G. "DID" means direct inward dialing.
- H. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- I. "DS-3" is a digital signal rate of 44.736 Mbps.

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- J. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- K. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 *CRIS Exchange Message Record*, a Bellcore document which defines industry standards for exchange message records.
- M. "Exchange Service" refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.
- N. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber meet arrangements.
- O. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- P. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.
- Q. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B + D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B + D).

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- R. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.
- S. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an GTE end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:
- "2-wire analog voice grade links" will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This link is commonly used for local dial tone service.
- "2-wire ISDN digital grade links" will support digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel. This is a 2B+D basic rate interface Integrated Services Digital Network (BRI-ISDN) type of loop which will meet national ISDN standards.
- "4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DS0 channels.
- T. "Local Exchange Carrier" or "LEC" means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this agreement.
- U. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area

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with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.

- V. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- W. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.
- X. "MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000883, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- Y. "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- Z. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.
- AA. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.

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- BB. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- CC. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- DD. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- EE. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTNP for all customers and all providers without limitation.
- FF. "Plain Old Telephone Service Traffic" or "POTS traffic." The parties agree that this includes local traffic as defined in GTE's tariff and disagree as to whether this includes non-local intraLATA toll traffic exchanged between the parties respective exchange customers.
- GG. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an GTE end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

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"2-wire analog line port" is a line side switch connection employed to provide basic residential and business type Exchange Services.

"2-wire ISDN digital line port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.

"2-wire analog DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide incoming trunk type Exchange Services.

"4-wire DS-1 digital DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.

"4-wire ISDN digital DS-1 trunk port" is a Primary Rate Interface (PRI) trunk side switch connection employed to provide the ISDN Exchange Services.

HH. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinates, which is used to measure distance-sensitive and user traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.

II. "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need

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not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.

- JJ. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- KK. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.
- LL. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- MM. "Synchronous Optical Network" or "SONET" means synchronous electrical (STS) or optical (OC) channel connections between LECs.
- NN. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.
- OO. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.
- PP. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. NETWORK INTERCONNECTION ARCHITECTURE

The Parties shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX., as defined below:

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- A. In each LATA identified below, the correspondingly identified wire center shall serve as the initial Designated Network Interconnection Point ("D-NIP") at which point MFS and GTE will interconnect their respective networks for inter-operability within that LATA.

LATA

Tampa

D-NIPTampa Main SWC (GTE)
(MFS connects to GTE)

Tampa

Tampa Node (MFS)
(GTE connects to MFS)

- B. Initially, MFS agrees to connect to GTE at GTE's Tampa Main Serving Wire Center (810 Morgan) and GTE agrees to reciprocally connect to MFS at MFS' Tampa Node (4200 Cypress). Where MFS and GTE interconnect at a D-NIP, the parties may mutually agree to other arrangements including, but not limited to any of the following interconnection methods:
1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;
 2. a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS and GTE maintain such facilities at the D-NIP;
 3. a co-location facility maintained by MFS at an GTE wire center, where such wire center has been designated as the D-NIP; or
 4. a co-location facility maintained by GTE at an MFS wire center, where such wire center has been designated as the D-NIP.
- C. In extending network interconnection facilities to the D-NIP, MFS shall have the right to extend its own facilities or to lease dark fiber facilities (if available) or digital transport facilities from GTE or from any 3rd-party, subject to the following terms:
1. Such leased facilities shall extend from any point designated by MFS on its own network (including a co-location facility maintained by MFS at an GTE wire center) to the D-NIP or associated manhole or other appropriate junction point.
 2. Where MFS leases such facilities from GTE, MFS shall have the right to lease under non-discriminatory tariff or contract terms from GTE.

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- D. Upon reasonable notice and if agreed to by GTE, MFS and GTE may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any MFS' right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines¹.

- B. As contemplated by the Central Office Code Assignment Guidelines, MFS will designate within the geographic NPA with which each of its assigned NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.

- C. MFS will also designate a Rating Point for each assigned NXX code. MFS may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS within the same LAT.

- D. Until such time MFS receives specific permission from the Commission to vary its rate centers from GTE's rate centers, MFS will agree to deploy a minimum of one NXX per established GTE rate center area.

- E. To the extent GTE serves as Central Office Code Administrator for a given region, GTE will support all MFS requests related to central office (NXX) code administration and assignments in an effective and timely manner.

- F. The Parties will comply with final and effective code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines.

¹ Last published by the Industry Numbering Committee (INC) as INC 95-0407-008, Revision 4/7/85, formerly NCCF 83-0729-010.

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- G. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

V. MEET-POINT BILLING ARRANGEMENTS**A. Description**

1. MFS may establish meet-point billing arrangements with GTE in order to provide Switched Access Services to third parties via an GTE access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.
2. Except in instances of capacity limitations, GTE shall permit and enable MFS to sub-tand the GTE access tandem switch(es) nearest to the MFS Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS shall be allowed to sub-tand the next-nearest GTE access tandem switch in which sufficient capacity is available.
3. Interconnection for the meet-point arrangement shall occur at the GTE Tampa Main Serving Wire Center (SWC) D-NIP.
4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the GTE access tandem switch.
5. MFS and GTE will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
6. As detailed in the MECAB document, MFS and GTE will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by MFS and GTE via the meet-point arrangement. Information shall be exchanged in Electronic Message Record

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("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.

7. MFS and GTE shall work cooperatively to coordinate rendering of meet-point bills to customers, and shall reciprocally provide each other, at no charge, the Usage Data, etc.

B. Compensation

1. Initially, billing to 3rd-parties² for the Switched Access Services jointly provided by MFS and GTE via the meet-point billing arrangement shall be according to the multiple-bill/multiple-tariff method.
2. Subsequently for billing to 3rd-parties for the Switched Access Services jointly provided by MFS and GTE via the meet-point arrangement, MFS and GTE may mutually agree to implement one of the following options: single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method. Should MFS prefer to change among these billing methods, MFS shall notify GTE of such a request in writing, 90-days in advance of the date on which such mutually acceptable change shall be implemented.
3. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in MFS's and GTE's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.
4. MFS shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues³ to which GTE is entitled pursuant to the above-referenced tariff provisions.
5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In

² Including any future GTE separate interexchange subsidiaries.

³ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be MFS.

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those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

The Parties shall reciprocally terminate POTS calls originating on each others' networks, as follows:

1. The Parties shall make available to each other the following traffic exchange trunk groups for the reciprocal exchange of POTS traffic at the respective D-NIPs:
 - a. GTE shall make available to MFS, at the GTE Tampa Main SWC, trunks over which MFS shall terminate to end users of GTE-provided Exchange Services, POTS traffic originated from end users of MFS-provided Exchange Services.
 - b. MFS shall make available to GTE, at the MFS Tampa Node, trunks over which GTE shall terminate to end users of MFS-provided Exchange Services, POTS traffic originated from end users of GTE-provided Exchange Service.
 - c. MFS and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. MFS and GTE have agreed on network trunking arrangements.
 - d. The parties will provide each other appropriate percentages(PIU/PLU) for the traffic carried over the trunk groups.
2. Reciprocal Traffic Exchange Arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
3. MFS and GTE agree to use their best collective efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the Reciprocal Traffic Exchange Arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-

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agreed upon default standards for the configuration of all segregated trunk groups.

4. The Parties will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic exchange trunk groups. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency (MF), wink start, E&M channel-associated signalling with ANI will be forwarded.
5. The Parties shall establish company-wide CCS interconnections STP-to-STP. Such STP links shall be reciprocally provided.

B. Compensation

1. For the termination of local traffic (including EAS/ECS), the parties agree to an equal, identical and reciprocal rate of \$.0009 per minute. For the termination of IntraLATA toll traffic, intrastate access charge rates will apply.
2. For local traffic between MPS and another LEC which uses GTE's access tandem, GTE's tandem switching rate (tandem transit) of \$.00075 will apply.
3. For local and toll, Cellular to Landline traffic, equal, identical and reciprocal compensation will be the interconnection rate charged to Cellular Carriers in GTE's tariffs (\$.03140 peak, \$.02235 off peak); minus the tandem transit rate listed in Section VI.B.2 of this agreement.
4. For local and toll, Landline to Cellular traffic, the tandem transit rate listed in Section VI.B.2 of this agreement shall apply.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

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A. 9-1-1/E9-1-1

1. Description

- a. MFS will interconnect trunk groups to the GTE 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which MFS provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points. GTE will provide MFS with the appropriate CLI codes and specifications of the tandem serving area.
- b. GTE and MFS will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to MFS end users. GTE will work cooperatively with MFS to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). Additionally, GTE shall work with the county to provide MFS the ten-digit POTS number of each PSAP which sub-tends each GTE selective router/9-1-1 tandem to which MFS is interconnected.
- c. GTE will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

For the provision of 911/E911 services between MFS and GTE, the parties agree to use the terms and conditions and rates reflected in the ICI Agreement approved by the Florida Public Service Commission. MFS will be required to connect trunks to the 911/E911 tandem(s).

B. Exchange of 800 Traffic

1. Description

The Meet-point Billing terms and conditions contained in section V of this agreement apply for the exchange of 800 traffic.

2. Compensation

Applicable Switched Access Meet-point billing rates shall apply for all 800 calls per the terms and conditions contained in section V of this agreement.

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C. Information Services Billing and Collection

1. Description

- a. MFS and GTE shall work cooperatively to reach agreement on all information services (e.g. 976, 974, N11, weather lines, sports lines, publisher lines, etc.) issues. The subsequent information services agreement shall enable MFS and GTE to reciprocally provide information services, originate and terminate information services calls between each other, bill and collect revenues from each others end users (including Information Providers), and reasonably compensate MFS and GTE.

D. Directory Listings and Directory Distribution

MFS and GTE agree that an additional agreement will be required to effectuate the terms of this section and will work cooperatively to execute the additional agreement within 60 days upon the execution of this agreement.

1. Description

The directory listings and distribution terms and rate specified in this section shall apply to listings of MFS customer numbers falling within NXX codes directly assigned to MFS, and to listings of MFS customer telephone numbers which are retained by MFS pursuant to Local Telephone Number Portability Arrangements described below. The terms of this section may require a subsequent additional agreement with GTE's Directory Publishing company.

- a. GTE will include MFS's customers' telephone numbers in all its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which MFS provides services to such customers, and will distribute such initial directories and directory updates to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.
- b. MFS will provide GTE with its directory listings and daily updates to those listings in an industry-accepted format; GTE will provide MFS a magnetic tape or computer disk containing the proper format.

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- c. MFS and GTE will accord MFS' directory listing information the same level of confidentiality which GTE accords its own directory listing information, and GTE shall ensure that access to MFS's customer proprietary confidential directory information will be limited solely to those GTE employees who are directly involved in the preparation of listings.

2. Compensation

- a. GTE and MFS will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include MFS customer listings and any compensation due GTE for administrative functions associated with furnishing listings to third parties. GTE will not provide/sell MFS' listings to any third parties without MFS' prior written approval.
- b. GTE shall provide directory distribution, directory database maintenance, and directory listings for MFS and its customers under the same terms that GTE provides these same services for its end users. Initial in-area directory delivery, database maintenance, and basic "White" and "yellow" page listings will be provided at no fee. Secondary distributions of basic "White" and "Yellow" pages shall provided at the same fee applied to GTE. Out-of-area directory delivery and enhanced listings, i.e. bolding, indention, second listings, etc., will be per GTE's currently tariffed or non-discriminatory available contract rates.

E. Directory Assistance (DA)

1. Description

At MFS' request, GTE will:

- a. provide to MFS unbranded directory assistance service which is comparable in every way to the directory assistance service GTE makes available to its own end users;

2. When available, at MFS' request, GTE will:

- a. provide to MFS operators or to an MFS-designated operator bureau on-line access to GTE's directory assistance database, where such access is identical to the type of access GTE's own directory assistance operators utilize in order to provide directory assistance services to GTE end users;

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- b. allow MFS or an MFS-designated operator bureau to license GTE's directory assistance database for use in providing competitive directory assistance services; and/or
- c. In conjunction with VII.E.1.a., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service GTE makes available to its own end users. When this functionality is available, GTE will route the calls back to MFS for MFS to complete the customer call.

3. Compensation

GTE will charge MFS its wholesale IXC/LEC rates for the following functionality:

- a. \$0.25 per unbranded directory assistance intrastate call.
- b. \$0.28 per unbranded directory assistance interstate call.

F. Yellow Page Maintenance

GTE will work cooperatively with MFS to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS (including customers utilizing MFS-assigned telephone numbers and MFS customers utilizing co-carrier number forwarding) are maintained without interruption. GTE will allow MFS customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. GTE and MFS will work cooperatively to investigate with GTE Directory Publishing whether GTE would implement a commission program whereby MFS may act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS's exchange service customers.

G. Transfer of Service Announcements

When an end user customer changes from GTE to MFS, or from MFS to GTE, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number upon request. This announcement will provide details on the new number to be dialed to reach this customer. Test arrangements will be

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provided reciprocally based upon current practice with GTE's customers to either the other carrier or the end user customer.

H. Coordinated Repair Calls

MFS and GTE will employ the following procedures for handling misdirected repair calls:

1. MFS and GTE will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.
3. MFS and GTE will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt**1. Description**

Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party operating in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. MFS and GTE will reciprocally provide adequate connectivity to facilitate this capability.

2. Compensation

Each Party shall compensate the other Party for BLV and BLVI inquiries according to the following rates:

**MFS/GTE
INTERIM FLORIDA CO-CARRIER AGREEMENT**

| | |
|------|-------------|
| | per inquiry |
| BLV | \$0.65 |
| BLVI | \$0.65 |

J. Information Pages

GTE will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS, listings provided by MFS for MFS's installation, repair and customer service and other information. This term may require an additional agreement with GTE Directory Publishing.

K. Operator Reference Database (ORDB)

If available, GTE will work cooperatively with MFS to assist MFS in obtaining from the appropriate 911 government agencies monthly updates to the Operator Reference Database (ORDB). If available, this will enable MFS to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc), as a back-up to 911, during a catastrophic situation.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

GTE shall unbundle all its Exchange Services into three separate packages: (1) link element; (2) port element; and (3) cross-connect element. The following link and port categories shall be provided:

Link Categories

2/4-wire analog voice grade
2 wire ISDN digital grade
4-wire DS-1 digital grade

Port Categories

2/4-wire analog line
2-wire ISDN digital line
2-wire analog DID trunk
4-wire DS-1 digital DID trunk
4-wire ISDN DS-1 digital trunk

GTE shall unbundle and separately price and offer these elements such that MFS will be able to lease and interconnect to whichever of these unbundled elements MFS requires, and to combine the GTE-provided elements with any facilities and services that MFS may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

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1. Interconnection shall be achieved via co-location arrangements MFS shall maintain at the wire center at which the unbundled elements are resident.
2. Each link or port element shall be delivered to the MFS co-location arrangement over a loop/port connector applicable to the unbundled service delivered, through other tariffed or contracted options, or through other technically feasible and economically comparable hand-off arrangements in accordance with agreements between MFS and GTE.
3. To the degree possible all transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
 - a. GTE will not monitor the unbundled loop for maintenance purposes. MFS will be required to provision a loop testing device either in its central office, Network Control Center, or in their collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by MFS.
4. To the degree possible all switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
5. GTE and MFS will work cooperatively to attempt to accommodate MFS' requirement for billing of all unbundled facilities purchased by MFS (either directly or by previous assignment by a customer) on a single consolidated statement per wire center. GTE will work toward billing at a wire center level, however, in the initial phases of unbundling, GTE's billing will be at a state level, or at an aggregate account level based on GTE's billing cycles.
6. Where GTE utilizes digital loop carrier ("DLC")⁴ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to MFS and receive Exchange Service from MFS via such

⁴ See, Bellcore TR-TSY-000008, *Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch* and TR-TSY-000303, *Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and Interface*.

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link. GTE shall use its best efforts to deliver such link to MFS on an unintegrated basis, pursuant to MFS' chosen hand-off architecture, without a degradation of end user service or feature availability. GTE and MFS recognize that there may be technical limitations that may need to be addressed to enable this requirement, therefore MFS and GTE agree to begin working cooperatively to address any technical issues within 60 days upon execution of this agreement.

7. GTE will permit MFS to co-locate digital loop carriers and associated equipment in conjunction with co-location arrangements MFS maintains at an GTE wire center, for the purpose of interconnecting to unbundled link elements.
8. To provide future order and trouble reporting GTE shall work cooperatively with MFS to attempt accommodating MFS' requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which MFS may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.
9. GTE and MFS agree that MFS will pay a non-recurring charge to convert a customer's bundled service to unbundled service.

B. Compensation

The rates for Unbundled Exchange Access Arrangements will be in accordance with Federal and State Commission proceedings and/or Commission approved tariffs.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

GTE and MFS will provide Interim Number Portability (INP) on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction an Exchange Service provided by the other carrier, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

1. MFS and GTE will provide reciprocal INP immediately upon execution of this agreement via call forwarding. GTE and MFS will

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INTERIM FLORIDA CO-CARRIER AGREEMENT**

migrate from INP to a database-driven Permanent Number Portability arrangement as soon as practically possible, without interruption of service to their respective customers.

2. INP shall operate as follows:

- a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:
 - (1) For the initial implementation of the portability of telephone numbers, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.
- b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for INP. GTE will explore the possibility of enabling collect, calling card, and 3rd-number billed calls associated with those numbers to enable MFS to rebill its newly acquired customers for those functions. Also, GTE will explore the possibility of sub-account detail for collect, calling card, and 3rd-number billed calls, and the capability of having billing statements delivered in real time via an agreed-upon Electronic data transfer, or via daily or monthly magnetic tape.
- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers and cancel calling cards associated with those forwarded numbers.
- d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify

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Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.

3. Under INP, MFS and GTE will implement a process to coordinate INP cut-overs with Unbundled Loop conversions within a reasonable time that is acceptable to customers. MFS and GTE pledge to use their best efforts to ensure that INP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.
4. Per the Florida Public Service Commission's order in Docket No. 950737-TP, MFS and GTE may continue to develop Direct Inward Dialing-type number portability arrangements.

B. Compensation

1. MFS and GTE shall provide INP arrangements to one another at the rates shown below, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers.

Remote Call Forwarding for Residential service at \$1.15 per ported number, per month, with the inclusion of up to six network paths.

Remote Call Forwarding for Business service at \$2.25 per ported number, per month, with the inclusion of up to ten network paths.

Additional paths in excess of those listed above at a rate of \$.50 per path.

2. For all traffic terminated between MFS and GTE to the party whose customer ultimately receives the call, reciprocal compensation charges and Switched Access charges (pursuant to each carrier's respective tariffs), shall apply for POTS traffic and non-POTS traffic. For compensation purposes, traffic will be classified by MFS and GTE using Percent Local Usage factors, and rated at the agreed upon Local and tariffed Access rates of each party.

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3. Unless mutually agreed to the contrary, the parties shall comply with all final and effective FCC, Commission and/or court orders governing INP cost recovery and compensation.

X. RESPONSIBILITIES OF THE PARTIES

- A. GTE and MFS agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. MFS and GTE will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. MFS and GTE agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, MFS and GTE will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both GTE and MFS. GTE and MFS are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.
- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees for any mutually beneficial network interconnections associated with the initial reconfiguration for traffic exchange, 911/E911, Interim Number Portability, Meet-point Billing, Directory Assistance, Information Services, Common Channel Signalling, and BLV/BLVI connectivity.
- F. With respect to any outstanding issues set forth in this agreement requiring an additional agreement within 60 (sixty) days, each party will use its best efforts to address all such outstanding items within that time period. Failure to reach agreement on these additional issues will not affect the enforceability of this agreement.

XI. TERM

This agreement shall be effective upon execution and filing with the Commission. This agreement shall remain effective until superseded by amendments or subsequent mutually agreeable arrangements approved by

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the Commission. Also by mutual agreement, GTE and MFS may jointly petition the appropriate regulatory bodies for permission to have this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

GTE and MFS shall effectuate all the terms of this agreement within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

MFS and GTE will work cooperatively to install and maintain a reliable network. MFS and GTE will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

MFS and GTE will work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

XIV. OPTION TO ELECT OTHER TERMS

If, at any time while this agreement is in effect, either of the parties to this agreement provides arrangements similar to those described herein to a third party operating within the same LATAs (including associated Extended Area Service Zones in adjacent LATAs) as for which this agreement applies, on terms different from those available under this agreement (provided that the third party is authorized to provide local exchange services), then the other party to this agreement may opt to adopt the rates, terms, and conditions offered to the third party for its own reciprocal arrangements with the first party. This option may be exercised by delivering written notice to the first party.

XV. CANCELLATION, CONVERSION, NON-RECURRING OR ROLL-OVER CHARGES

Unless mutually agreed otherwise, neither MFS nor GTE shall impose cancellation charges upon each other for any beneficial network interconnection functions.

INTERIM FLORIDA CO-CARRIER AGREEMENT**XVI. FORCE MAJEURE**

Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations related to the performance so interfered with). The affected party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

XVII. CONFIDENTIAL INFORMATION

Identification. All information, including but not limited to specifications, microfilm, photocopies magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of public or directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary" or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery to be "Confidential" or "Proprietary." Information set forth above in (i)(ii) or (iii) shall be hereinafter collectively referred to as "Confidential Information".

Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:

- (a) That all Confidential Information shall be and shall remain the exclusive property of the source.

INTERIM FLORIDA CO-CARRIER AGREEMENT

- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement.
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature.
- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source.
- (e) To return promptly any copies of such Confidential Information to the source at its request.
- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.

Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three years from the date of the initial disclosure of the Confidential Information.

XVIII. LIABILITY AND INDEMNITY

Indemnification. Each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages,

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expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, to the extent proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action.

DISCLAIMER. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT AND IN EACH PARTY'S TARIFF, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES PROVIDED UNDER THIS AGREEMENT. BOTH PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

Limitation of Liability. Each party's liability to the other, whether in contract, tort or otherwise, shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services for the time period during which the services provided pursuant to this Agreement are inoperative, not to exceed in total the monthly charge imposed by each such Party. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, the Parties recognize that they may, from time to time, provide advice, make recommendations, or supply other analysis related to the equipment or services described in this Agreement, and, while each Party shall use diligent efforts in this regard, the other Party acknowledges and agrees that this limitation of liability shall apply to provision of such advice, recommendations, and analysis.

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XIX. DISPUTE RESOLUTION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, prior to taking any action before any court or regulator, or before making any public statement or disclosing the nature of the dispute to any third Party, the Parties shall first confer to discuss the dispute and seek resolution. Such convergence shall occur at least at the Vice President level for each Party. In the case of GTE, its Vice President of Regulatory Affairs, or equivalent officer, shall participate in the meet and confer meeting, and WFS Vice President Regulatory Affairs, or equivalent officer, shall participate.

XX. MISCELLANEOUS

Amendments. Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.

Assignment. Any assignment 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, except that either Party may assign all of its rights, obligations, and duties to any legal entity that is a subsidiary or affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's assumption of the rights, obligations, and duties of the assigning Party.

Authority. Each person whose signature appears below represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

Binding Effect. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

Compliance with Laws and Regulations. Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance as described in this Agreement.

Consent. Where consent, approval, or mutual agreement is required of a Party, it shall not be unreasonably withheld or delayed.

Default. If either Party refuses or fails in any material respect properly to perform its obligations under this Agreement, or violates any of the material terms or conditions of this Agreement, such refusal, failure, or violation shall constitute a

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default. In such event, the non-defaulting Party may so notify the other Party in writing of the default and allow that Party a period of thirty (30) calendar days to cure such default. If the defaulting Party does not cure such default within said thirty (30) calendar days, the non-defaulting Party shall have the right to terminate this Agreement upon written notice to the other Party. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

Entire Agreement. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

Expenses. Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.

Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Florida and shall be subject to the exclusive jurisdiction of the courts therein.

Headings. The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

Independent Contractor Relationship. The persons provided by each Party shall be solely that Party's employees and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

INTERIM FLORIDA CO-CARRIER AGREEMENT

Multiple Counterparts. This Agreement may be executed multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

No Offer. Submission of this Agreement for examination or signature does not constitute an offer by GTE for the provision of the products or services described herein. This Agreement will be effective only upon execution and delivery by both GTE and MFS.

Notices. Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally on the date receipt is acknowledged in writing by the recipient if delivered by regular mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Notice may also be provided by facsimile, which shall be effective on the next Business Day following the date of transmission. "Business Day" shall mean Monday through Friday, GTE/MFS holidays excepted. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to GTE: Attention: Beverly Y. Manard
201 North Franklin
Tampa, FL 33601
Facsimile number: (813) 223-4888

If to MFS Attention: Senior Director,
External and Regulatory Affairs
MFS Communications Company, Inc.
6 Concourse Parkway
Suite 2100
Atlanta, Georgia
Facsimile number: (770) 390-6787

Publicity. Any news release, public announcement, advertising, or any form of publicity pertaining to this Agreement, provision of services pursuant to it, or association of the Parties with respect to provision of the services described in this Agreement shall be subject to prior written approval of both GTE and MFS.

Regulatory Approval. This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the applicable state utility regulatory commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency. Each Party agrees to cooperate with each other and with any regulatory

INTERIM FLORIDA CO-CARRIER AGREEMENT

agency and take what actions are necessary to obtain regulatory approval of this Agreement. If the regulatory agency accepts this Agreement in part and rejects it in part, or makes a material modification to the Agreement as a condition of its approval, either Party may petition a regulatory agency to modify other terms of the Agreement or to cancel this Agreement without penalty or liability to the other Party. Further, during the term of this Agreement, each Party agrees to continue to cooperate with each other and with any regulatory agency so that the benefits of this Agreement may be achieved.

Severability. If approved by the Federal Communications Commission and/or the applicable state utility regulatory commission, if any provision of this Agreement is subsequently held by a court or regulatory body of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected 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 terminate this Agreement.

Subcontractors. GTE may enter into subcontracts with third parties or affiliates for the performance of any of GTE's duties or obligations under this Agreement.

Trademarks and Trade Names. Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.

Waiver. The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.

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INTERIM FLORIDA CO-CARRIER AGREEMENT

MFS Communications Company, Inc.
PPSC Docket No. 960638-TP
Witness Devine Supplemental Testimony
Exhibit TTD - 12
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If this agreement is acceptable to MFS and GTE, both parties shall sign in the space provided below. This agreement shall not bind MFS and GTE until executed by both parties.

[Signature] 8-10-96 Date [Signature] 8/12/96 Date
Sign Sign

Timothy T. Devine
Print Name

Ronald W. McLeod
Print Name

Senior Director
Title

Vice President
Title

Metropolitan Fiber Systems of Florida, Inc.

GTE Florida Incorporated

FORE APPROVED
[Signature]
Attorney
Date 8-12-96

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Communications Company, Inc.

ROBERT W. MCCAULEY, SENIOR DIRECTOR - REGULATORY COMPLIANCE
ONE TOWER LANE, SUITE 1000
DANBROOK TOWNSHIP, ILLINOIS 60121
TELEPHONE: (630) 473-7000 FAX: (630) 216-0094

August 22, 1996

VIA FAX AND OVERNIGHT DELIVERYMr. Jack Burge - National Account Manager
Sprint Communications Company
2330 Shawnee Mission Parkway
Shawnee Mission, KS 66205

Re: Proposed Physical Collocation Agreement

Dear Jack:

Attached is a draft physical collocation agreement. Please promptly distribute this document to Sprint's other principals for their review and input.

Please note that I have proposed a couple of somewhat unique approaches (e.g., the introduction of a "bonus payment" to Sprint for accommodating contiguous space-expansion requests of MFS). I have attempted to keep each simple and straightforward in order to help satisfy the usual desire of ILECs to emulate existing processes and to minimize the need for process and systems changes by either Sprint or MFS. We are clearly willing to work with Sprint to minimize any area of unreasonable impact, but I request that you and your team make an effort to accommodate each of the approaches that MFS has proposed.

Please be sure that Sprint's team reviews the proposed agreement promptly. I am seeking a detailed written response from you by August 28, 1996. We are hopeful that we will be able to address Sprint's responses during the meeting between our companies on August 29 and 30.

Feel free to contact me directly at the above telephone number if you have any immediate concerns or questions. Thanks very much for your assistance on this very important matter.

Senior Director - Regulatory Compliance

Attachment

cc: Tim Devine - MFS

PHYSICAL COLLOCATION AGREEMENT

BETWEEN

SPRINT COMMUNICATIONS COMPANY

AND

MFS COMMUNICATIONS COMPANY, INC.

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PHYSICAL COLLOCATION AGREEMENT

THIS PHYSICAL COLLOCATION AGREEMENT ("Agreement") is made this ____ day of _____, 19__ by and between SPRINT COMMUNICATIONS COMPANY, a _____ corporation ("Sprint"), and MFS COMMUNICATIONS COMPANY, INC., a Delaware corporation, its successors and assigns ("Interconnector").

WITNESSETH

WHEREAS, Sprint is an incumbent local exchange carrier having a statutory duty to provide for "physical collocation" of "equipment necessary for interconnection or access to unbundled network elements" at its Premises, U.S.C. 251(c)(6); and

WHEREAS, the Interconnector wishes to physically locate certain of its equipment within the Premises (as defined herein) and connect with Sprint; and

NOW THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Sprint and the Interconnector (the "parties") agree as follows:

ARTICLE I - PREMISES

1.1 Right to Use. Subject to this Agreement, Sprint grants to Interconnector the right to use the premises described on Exhibit ____ ("Premises"), attached and incorporated herein, within real property at _____ in the City of _____, County of _____, State of _____.

1.2 Relocation. Notwithstanding Section 1.1, in the event that it is necessary for the Premises to be moved within the structure in which the Premises is located ("Physical Collocation Site") or to another Sprint Physical Collocation Site, at the Interconnector's option, the Interconnector shall move its facilities to the new Premises. The Interconnector shall be responsible for the preparation of the new Premises if such relocation arises from circumstances beyond the reasonable control of Sprint, including condemnation or government order or regulation that makes the continued occupancy of the Premises or Physical Collocation Site impossible. Otherwise Sprint shall be responsible for any such preparation and shall bear all costs associated with the relocation.

If the Interconnector requests that the Premises be moved within the Physical Collocation Site or to another Sprint Physical Collocation Site, Sprint shall permit the Interconnector to relocate the Premises, subject to availability of space and associated requirements. The Interconnector shall be responsible for all applicable charges associated with the move, including the reinstallation of its equipment and facilities and the preparation of the new Premises.

In either such event, the new Premises shall be deemed the "Premises" hereunder and the new Physical Collocation Site (where applicable) the "Physical Collocation Site."

1.3 The Premises. Sprint agrees, at the Interconnector's sole cost and expense as set forth herein, to prepare the Premises in accordance with working drawings and specifications entitled _____ and dated _____, which documents, marked Exhibit C, are attached and incorporated herein. The preparation shall be arranged by Sprint in compliance with all applicable codes, ordinances, resolutions, regulations and laws. In return for the Interconnector's agreement to make the payments required by Section 2.1 hereof, Sprint agrees to pursue diligently the preparation of the Premises for use by the Interconnector.

ARTICLE II - EFFECTIVENESS AND REGULATORY APPROVAL

2.1 Submission to State Commission. The Agreement is prepared as a component of the Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996, between

Sprint and MFS Communications Company, Inc. ("Interconnection Agreement"), and the parties intend to submit the Agreement and other elements of the Interconnection Agreement to state commissions for approval under the provisions of 47 U.S.C. § 252. This Agreement is conditioned upon the approval of this Agreement and the Interconnection Agreement. After execution of this Agreement, the parties shall submit it and the applicable Interconnection Agreement to the State commission in the State in which the Premises is located for approval, and shall defend the Agreement and support any reasonable effort to have this Agreement so approved, including the supplying of witnesses and testimony if a hearing is held.

2.2 Failure to Receive Approval. If this Agreement does not receive such unqualified approval, this Agreement shall be void upon written notice of either party to the other after such regulatory action becomes final and unappealable. Thereafter Interconnector may request to begin negotiations again under 47 U.S.C. 251. Alternatively, the parties may both agree to modify this Agreement to receive such approval, but neither shall be required to agree to any modification. Any agreement to modify shall not waive the right of either party to pursue any appeal of the ruling made by any reviewing regulatory commission or to seek arbitration of any of the terms of this Agreement or any of the terms of the Interconnection Agreement.

2.3 Preparation Prior to Regulatory Approval. At the written election of the Interconnector, Sprint shall begin preparing the Premises for the Interconnector prior to receiving the approval required by Section 2.1 hereof. Except as specified in the Interconnection Agreement, the evidence of such election shall be the delivery to Sprint of a letter requesting that Sprint begin preparations and the promise of Interconnector to pay the charges as provided in this Agreement. Payment to Sprint of the charges due under this Agreement shall be due one month after the Interconnector's equipment is installed at the Premises, interconnected with Sprint and operational as described in Section 3.2 below. Upon such an election, this Agreement shall become effective but only insofar as to be applicable to Premises preparation. If the Agreement does not become fully effective as contemplated by this Article due in any part to Sprint not fulfilling its obligation under 2.1 preceding, the Interconnector shall be entitled to a refund of all payments made to Sprint for preparation.

ARTICLE III - TERM

3.1 Commencement Date. This Agreement shall be a term agreement, beginning on the "Commencement Date" and ending on a date five years afterwards. The "Commencement Date" shall be the first day after the Interconnector's equipment becomes operational as described in Section 3.2. At the end of the term and unless the parties agree to an extension or a superseding arrangement, this Agreement shall automatically convert to a month-to-month Agreement.

3.2 Occupancy. Unless there are unusual circumstances, Sprint will notify the Interconnector that the Premises is ready for occupancy within five (5) days after Sprint completes preparations described in Section 2.3. The Interconnector must place operational telecommunications equipment in the Premises and connect with Sprint's network within two-hundred seventy (270) days after receipt of such notice; provided, however, that such two-hundred seventy day period shall not begin until regulatory approval is obtained under Article II and, further, that Sprint may extend beyond the two-hundred seventy days upon a demonstration by the Interconnector of a best efforts to meet that deadline and circumstances beyond its reasonable control that prevented the Interconnector from meeting that deadline. If the Interconnector fails to do so, this Agreement is terminated on the thirtieth (30th) day after Sprint provides to the Interconnector written notice of such failure and the Interconnector does not place operational telecommunications equipment in the Premises and connect with Sprint's network by such thirtieth day. In any such event, the Interconnector shall be liable in an amount equal to the unpaid balance of the preparation charges due. For purposes of this Section, the Interconnector's telecommunications equipment is considered to be operational and interconnected when connected to Sprint's network for the purpose of providing service.

ARTICLE IV - PREMISES CHARGES

4.1 Monthly Charges. Beginning on the Commencement Date, Interconnector shall pay to Sprint monthly fees as specified in Exhibit A.

4.2 Billing. Billing for Monthly Charges shall occur on or about the 25th day of each month, with payment due thirty (30) days from the bill date. Sprint may change its billing date practices upon providing ninety (90) days written notice to the Interconnector. Each Sprint bill must identify the Premises location by CLI and/or address and must separately identify any non-contiguous Premises within the Physical Collocation Site. Further, Sprint must specify separately for each Premises CLI and/or address and for any non-contiguous Premises each rate element individually along with the quantity purchased by the Interconnector at that (those) Premises and the individual rate charged for each element along with the dates for which such charges apply. Sprint shall pay to Interconnector specified damages of two-hundred fifty dollars (\$250.00) for each incorrect bill submitted to Interconnector and shall promptly adjust Interconnector's account in each instance of misbilling identified and demonstrated by the Interconnector.

4.3 Nonrecurring Charges.

- (a) The one-time charge for preparing the Premises for use by the Interconnector as well as all other one-time charges associated with the Interconnector's request shall be exactly as stated in Exhibit B.
- (b) Sprint will contract for and perform the procurement, construction and preparation activities underlying the Monthly Fees and Nonrecurring Charges, using the same or consistent practices that are used by Sprint for other construction and preparation work performed in the Physical Collocation Site and shall make every possible effort to obtain all necessary approvals and permits, where applicable, promptly. Sprint will obtain more than one trade subcontractor submission to the extent available when the initial trade subcontractor bid, proposal or quotation associated with an ICB pursuant to Exhibit B exceeds ten-thousand dollars (\$10,000.00). It is understood and agreed that any such request for additional subcontractor submissions will likely add to the time necessary to provide physical collocation and, for that reason, Interconnector reserves the right to authorize Sprint to forgo such additional bids but will only do so in writing. Sprint will permit the Interconnector to inspect all supporting documents for the Monthly Fees and

Nonrecurring Charges. Any dispute regarding such Sprint charges will be subject to the dispute resolution provisions hereof. Notwithstanding the above, the Interconnector may directly contract with any supplier, vendor, subcontractor, or contractor that Sprint approves for such work (including but not limited to the procurement and installation of cages, power plant facilities and HVAC facilities) and may, at Interconnector's election, be solely responsible for any and all payments due to such supplier, vendor, subcontractor or contractor for such procurement, construction and preparation activities. Where Interconnector exercises this right, Interconnector shall pay to Sprint only those amounts associated with labor hours of Sprint personnel necessary for such Sprint personnel to observe and approve such work at the Premises within the Physical Collocation Site.

- (c) Nonrecurring Charges associated with the point-of-termination bay shall be applied to the Interconnector by Sprint only where the Interconnector requests in writing that Sprint supply such point-of-termination bay. Otherwise, the Interconnector shall be responsible for purchasing such point-of-termination bays and for arranging their installation by a vendor, subcontractor or contractor approved by Sprint to perform such work.

4.4 Preparation. Sprint will begin preparation on execution of this Agreement and upon receipt of written notice from Interconnector as described in Section 2.3.

4.5 Pre-Preparation Access. Sprint shall permit the Interconnector to have access to the Premises for the purpose of inspection once physical collocation site preparation activities have begun. Interconnector agrees to limit the number of such inspections to three per Premises except where such inspection exposes a non-conformance with the Interconnector's requirements as stated in its initial request or this Agreement.

4.6 Breach Prior to Commencement Date. If the Interconnector materially breaches this Agreement by purporting to terminate this Agreement after Sprint has begun preparation of the Premises then, in addition to any other remedies that Sprint might have, the Interconnector shall be liable in the amount equal to the non-recoverable costs less estimated net salvage. Non-recoverable costs include the

non-recoverable cost of equipment and material ordered, provided or used; subcontractor charges paid by Sprint for work performed on behalf of Interconnector; the non-recoverable cost of installation and removal, including the costs of equipment and material ordered, provided and used; labor for work done on behalf of Interconnector for preparation; transportation and any other associated costs. Sprint shall provide Interconnector with a detailed invoice showing the costs it incurred associated with preparation. Further, at the Interconnector's election, Sprint shall provide to the Interconnector all materials that it determined to be unsalvageable. In no event shall the Interconnector be liable for costs exceeding fifty-percent of the total nonrecurring amounts reflected on Exhibit B.

4.7 Space Preparation Fee True-Up. For all work performed by Sprint and by vendors, subcontractors and contractors hired by Sprint in order to prepare the Premises pursuant to the Interconnector's written request and pursuant to 4.3 preceding, Sprint shall within ninety (90) days of the completion of the Premises preparation work perform a true-up of all Sprint, vendor, subcontractor and contractor bill amounts associated with any ICB pricing performed pursuant to Exhibit B. If the resulting total cost is less than that paid by the Interconnector, then Sprint shall within thirty (30) days refund to the Interconnector the difference between the actual cost and the payment that the Interconnector had previously submitted to Sprint. Alternatively, if the total cost exceeds that previously paid by the Interconnector, then the Interconnector shall submit payment to Sprint for the difference within thirty (30) days for its receipt of the bill for such an amount. Nothing in either case releases Sprint from its obligation to make best-faith efforts to achieve the lowest-available cost for the preparation work that it proves is necessary or releases Sprint from its obligation to allow the Interconnector to inspect such documents pursuant to 4.3 preceding.

ARTICLE V - INTERCONNECTION CHARGES

Charges for interconnection and collocation shall be set forth in Exhibits A and B.

ARTICLE VI - DEMARCATION POINT

6.1 Cable Entrances. The Interconnector shall use a dielectric fiber optic cable as a transmission medium to the Premises, or other transmission media as it determines is necessary in order to provide services for which it has legal and regulatory authority. The Interconnector shall be permitted at least two (2) cable entrance routes into the Premises whenever two entrance routes are used by Sprint at that Physical Collocation Site.

6.2 Demarcation Point. Sprint and Interconnector shall designate the point(s) of interconnection within the Physical Collocation Site as the point(s) of physical demarcation between the Interconnector's network and Sprint's network, with each being responsible for maintenance and other ownership obligations and responsibilities on its side of that demarcation point. Sprint and the Interconnector anticipate that the demarcation point will be within the point-of-termination bay which the Interconnector may elect to provide and install pursuant to 4.3 preceding. Where no point of termination bay is elected by the Interconnector, the point(s) of interconnection shall be specified in Exhibit D.

ARTICLE VII - USE OF PREMISES

7.1 Nature of Use. The Premises are to be used by the Interconnector for purposes of locating equipment and facilities within Sprint's Physical Collocation Sites to connect with Sprint services or facilities and other Interconnectors. Sprint shall permit Interconnector to place, maintain and operate on Premises any equipment necessary for Interconnector to provide any and all services which Interconnector has legal authority to provide as long as the equipment meets the same standards that Sprint applies without exception to its own equipment and locations used to provide telecommunications services. Consistent with the nature of the Premises and the environment of the Premises, the Interconnector shall not use the Premises for office, retail, or sales purposes. No signs or marking of any kind by the Interconnector shall be permitted on the Premises or on the grounds surrounding the Premises.

7.2 Administrative Uses. The Interconnector may use the Premises for placement of equipment and facilities only. The Interconnector's employees, agents and contractors shall be permitted access to

the Premises at all reasonable times, provided that the Interconnector's employees, agent and contractors comply with Sprint's policies and practices pertaining to fire, safety and security. The Interconnector agrees to comply promptly with all laws, ordinances and regulations affecting the use of the Premises. Upon the expiration of the Agreement, the Interconnector shall surrender the Premises to Sprint in the same condition as when first occupied by the Interconnector except for ordinary wear and tear.

7.3 Threat to Network or Facilities. Interconnector equipment or operating practices representing a significant demonstrable technical threat to Sprint's network or facilities, including the Premises, are strictly prohibited.

7.4 Interference or Impairment. Notwithstanding any other provision hereof, the characteristics and methods of operation of any equipment or facilities placed in the Premises shall not interfere with or impair service over any facilities of Sprint or the facilities of any other person or entity located in the Physical Collocation Site; create hazards for or cause damage to those facilities, the Premises, or the Physical Collocation Site; impair the privacy of any communications carried in, from, or through the Physical Collocation Site; or create hazards or cause physical harm to any individual or the public. Any of the foregoing events would be a material breach of this Agreement if, after Sprint's submission to Interconnector of written notice of such interference or impairment, Interconnector did not promptly work to eliminate the interference or impairment.

7.5 Interconnection to Others. The Interconnector may directly connect to other Interconnectors' facilities within the Physical Collocation Site. Sprint agrees to provide to Interconnector, upon its receipt of the Interconnector's written request, any facilities necessary for such interconnection wherever such facilities exist or can be made available and Sprint shall provide any such facilities pursuant to 4.3 preceding and Exhibits A and B. Further, Sprint agrees to provide to the Interconnector, upon its receipt of the Interconnector's written request, service interconnection at rates specified in Exhibits A and B, and Sprint will facilitate interconnection of the Interconnector's collocation equipment to other services offered in Sprint's tariffs or other Agreements (e.g., Opticring Service). For the purposes of interconnection to Others, where the other Interconnector's Interconnection Agreement differs from this Agreement, the

less restrictive terms and conditions relating to such direct interconnection and the lower charges identified in the two Agreements for such direct interconnection shall apply to both Interconnectors for all interconnection between those two Interconnectors. Interconnector agrees to continue to pay to Sprint all applicable Monthly Charges for space, power and for all other interconnection circuits at the Premises.

7.6 Personality and its Removal. Subject to the Article, the Interconnector may place or install in or on the Premises such fixtures and equipment as it shall deem desirable for the conduct of business. Personal property, fixtures and equipment placed by the Interconnector in the Premises shall not become a part of the Premises, even if nailed, screwed or otherwise fastened to the Premises, but shall retain their status as personality and may be removed by Interconnector at any time. Any damage caused to the Premises by the removal of such property shall be promptly repaired by Interconnector at its expense.

7.7 Alterations In no case shall the Interconnector or any person purporting to be acting through on or behalf of the Interconnector make any rearrangement, modification, improvement, addition, repair, or other alteration to the Premises or the Physical Collocation Site without the advance written permission and direction of Sprint. Sprint shall make best efforts to honor any reasonable request for a modification, improvement, addition, repair, or other alteration proposed by the Interconnector, provided that Sprint shall have the right to, for reasons that it specifies in writing, reject or modify any such request except as required by state or federal regulators. The cost of any such specialized alterations shall be paid by Interconnector in accordance with the terms and conditions identified in Article IV herein.

ARTICLE VIII - STANDARDS

8 Minimum Standards. This Agreement and the physical collocation provided hereunder is made available subject to and in accordance with the (i) Bellcore Network Equipment Premises System (NEBS) Generic Requirements (GR-63-CORE and GR-1089-CORE), as may be amended at any time and from time to time, and any successor documents, except to the extent that Sprint deviates from any such requirements for its equipment and the facilities and services that it uses and provides or to the extent that Sprint allows other Interconnectors to deviate from any such requirements; and, (ii) any statutory and/or

regulatory requirements in effect at the execution of this Agreement or that subsequently become effective and then when effective. The Interconnector shall strictly observe and abide by each. Sprint shall publish and provide to the Interconnector its Reference Handbook for Collocation dated ____, 1996 to provide Interconnector with guidelines and Sprint's standard operating practices for collocation. Sprint agrees that the material terms and conditions of collocation are not contained in such a technical publication, nor can Sprint change the terms and conditions of this Agreement by changing that technical publication; however, any revision made to address situations potentially harmful to Sprint's network or the Premises or Physical Collocation Site, or to comply with statutory and/or regulatory requirements shall become effective immediately and the Interconnector agrees to take steps to comply with such revisions immediately upon its receipt of Sprint's written notification of the change.

ARTICLE IX - RESPONSIBILITIES OF THE INTERCONNECTOR AND Sprint

9.1 Contact Number. The Interconnector and Sprint are responsible for providing to each other personnel contact numbers for their respective technical personnel who are readily accessible 24 hours a day, 7 days a week, 365 days a year.

9.2 Trouble Status Reports. The Interconnector is responsible for promptly providing trouble report status when requested by Sprint. Likewise, Sprint is responsible for promptly providing trouble report status when requested by Interconnector.

9.3 Cable Extension. The Interconnector is responsible for bringing its cable to entrance manhole(s) or other appropriate sites designated by Sprint (e.g., utility poles or cross-connect cabinets), and for leaving sufficient cable length in order for Sprint to fully extend the Interconnector-provided cable to the Premises. In the alternative, at the Interconnector's option, Sprint shall provide unbundled network transmission elements pursuant to the FCC's First Report and Order released on August 8, 1996, e.g., facilities from an Interconnector-designated location (e.g., the Interconnector's Node) to the Premises within the Physical Collocation Site, i.e., "Service Interconnection," and rates for such facilities are the same as those set forth in Exhibits A and B for local channels (terminations) and interoffice channel

mileage/transport. Nothing in this paragraph shall preclude the Interconnector from obtaining Service Interconnection from Sprint at any Premises within a Physical Collocation Site for primary or redundant interconnection.

9.4 Regeneration. Regeneration of either DS1 and DS3 signal levels may be provided at the Interconnector's option by the Interconnector, or by Sprint under its then-standard custom-work order process, except that Sprint must obtain from the Interconnector a written request for Sprint to perform such work and a written acceptance of all charges that Sprint intends to apply to Interconnector for such regeneration facilities. Otherwise, Sprint is not entitled to payment for such facilities and Interconnector is not obligated to accept such arrangements.

9.5 Removal. The Interconnector is responsible for removing any equipment, property or other items that it brings into the Premises or any other part of the Physical Collocation Site. If the Interconnector fails to remove any equipment, property, or other items from the Premises or Physical Collocation Site within thirty (30) days after discontinuance of use, Sprint may perform the removal and may charge the Interconnector for any materials used in any such removal, and the time spent on such removal at the then-applicable hourly rate for administrative work pursuant to Exhibit B.

9.6 Interconnector's Equipment and Facilities. The Interconnector is solely responsible for the design, engineering, testing, performance, and maintenance of the equipment and facilities used by the Interconnector in the Premises. The Interconnector will be responsible for servicing, supplying, repairing, installing and maintaining the following facilities within the Premises:

- (a) its cable(s);
- (b) its equipment;
- (c) required point of termination cross connects;
- (d) point of termination maintenance, including replacement fuses and circuit breaker

restoration, to the extent that such fuses and circuit breakers are not controlled by Sprint and only if and as required; and

(e) the connection cable and associated equipment which may be required within the Premises to the point(s) of interconnection. Sprint does not assume any such responsibility unless contracted to perform such work on behalf of the Interconnector.

9.7 Verbal Notifications Required. The Interconnector is responsible for immediate verbal notification to Sprint of significant outages or operations problems which could impact or degrade Sprint's network, switches, or services, and for providing an estimated clearing time for restoration. In addition, written notification must be provided within twenty-four (24) hours. Likewise, Sprint is responsible for providing immediate verbal notification to the Interconnector of problems with Sprint's network or operations which could impact or degrade Interconnector's network, switches, or services, and provide an estimated clearing time for restoration. Further, Sprint shall provide written notification to Interconnector within the same twenty-four (24) hour interval. For the purposes of this paragraph, written notification may be given by electronic mail so long as the notifying party provide the required verbal notification to the other.

9.8 Service Coordination. The Interconnector is responsible for coordinating with Sprint to ensure that services are installed in accordance with the service request. Likewise, Sprint is obligated to coordinate with Interconnector to ensure the services are installed in accordance with the service request and fulfill the service request in a timely, effective manner.

9.9 Testing. The Interconnector is responsible for testing, to identify and clear a trouble when the trouble has been isolated to an Interconnector-provided facility or piece of equipment. If Sprint testing is also required, it will be promptly provided as part of its obligation to provide to Interconnector network interconnection.

9.10 Specified Damages. To ensure compliance with the above provisions, the parties agree to specified damages in the event of a breach of any of the provisions listed in this section. For failures to provide verbal and written notification of significant outages that could affect or degrade either party's network, the non-complying party shall pay specified damages of five-thousand dollars (\$5,000.00) per event. For failure to provide testing, service coordination, or trouble status reports as requested in a

timely manner, the parties agree that the specified damages shall be five-thousand dollars (\$5,000.00) per event.

ARTICLE X - QUIET ENJOYMENT

Subject to the other provisions hereof, Sprint covenants that it has full right and authority to permit the use of the Premises by the Interconnector and that, so long as the Interconnector performs all of its obligations herein, the Interconnector may peaceably and quietly enjoy the Premises during the term hereof.

ARTICLE XI - ASSIGNMENT

The Interconnector shall not assign or otherwise transfer this Agreement, neither in whole nor in part, or permit the use of any part of the Premises by any other person or entity, without the prior written consent of Sprint. Any purported assignment or transfer made without such consent may be made void by Sprint at its option.

ARTICLE XII - CASUALTY LOSS

12.1 Damage to Premises. If the Premises are damaged by fire or other casualty, and

- (i) the Premises are not rendered untenantable in whole or in part, Sprint shall repair the same at its expense (as hereafter limited) and the Monthly Charges shall not be abated, or
- (ii) the Premises are rendered untenantable in whole or in part and such damage or destruction can be repaired within ninety (90) days, Sprint has the option to repair the Premises at its expense (as hereafter limited) and all Monthly Charges shall be proportionately abated while Interconnector was deprived of the use and the interconnection. If the Premises cannot be repaired within ninety (90) days, or Sprint opts not to rebuild, then this Agreement shall (upon notice to the Interconnector within thirty

(30) days following such occurrence) terminate as of the date of such damage. However, Sprint must provide to Interconnector comparable substitute interconnection and collocation arrangements at another mutually-agreeable Physical Collocation Site without penalty or nonrecurring charges assessed against the Interconnector.

Any obligation on the part of Sprint to repair the Premises shall be limited to repairing, restoring and rebuilding the Premises as originally prepared for the Interconnector and shall not include any obligation to repair, restore, rebuild or replace any alterations or improvements made by the Interconnector or by Sprint on request of the Interconnector, or any fixture or other equipment installed in the Premises by the Interconnector or by Sprint on request of the Interconnector.

12.2 Damage to Premises. In the event that the Premises shall be so damaged by fire or other casualty that closing, demolition or substantial alteration or reconstruction thereof shall, in Sprint's opinion, be advisable, then, notwithstanding that the Premises may be unaffected thereby, Sprint, at its option, may terminate this Agreement by giving the Interconnector ten (10) days prior written notice within thirty (30) days following the date of such occurrence.

ARTICLE XIII - LIMITATION OF LIABILITY

14.1 Limitation. With respect to any claim or suit for damages arising in connection with the mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring in the course of furnishing service hereunder, the liability of Sprint, if any shall not exceed an amount equal to six (6) times the total monthly revenues that Interconnector received from its customers which used the Interconnector's collocated equipment for the six-month period immediately preceding the time when such mistake, omission, interruption, delay, error, or defect in transmission or service occurred. However, any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or service which are caused by the negligence or willful act of the Interconnector or which arise in connection with the use of the Interconnector-provided facilities or equipment shall not result in the imposition of any liability whatsoever upon Sprint.

Each party shall be indemnified and held harmless by the other against claims and damages by any third party arising from provision of the other party's services or equipment except those claims and damages directly associated with the provision of services to the other party which are governed by the provisioning party's applicable tariffs.

Neither party shall have any liability whatsoever to the customers of the other party for claims arising from the provision of the other party's service to its customers, including claims for interruption of service, quality of service or billing disputes.

The liability of either party for its willful misconduct, if any, is not limited by this Agreement.

14.2 Third Parties. The Interconnector acknowledges and understands that Sprint may provide space in or access to the Physical Collocation Site to other persons or entities ("Others"), which may include competitors of the Interconnector; that such space may be close to the Premises, possibly including space adjacent to the Premises and/or with access to the outside of the Premises; and that any in-place optional cage around the Premises is a permeable boundary that will not prevent the Others from observing or even damaging the Interconnector's equipment and facilities. In addition to any other applicable limitation, Sprint shall have no liability with respect to any action or omission by any Other, except in instances involving negligence or willful actions by Sprint or its agents or employees. The Interconnector shall save and hold Sprint harmless from any and all costs, expenses, and claims associated with any such acts or omission by any Other.

ARTICLE XIV - SERVICES, UTILITIES, MAINTENANCE AND FACILITIES

10.1 Operating Services. Sprint, at its sole cost and expense, shall maintain for the Physical Collocation Site customary Premises services, utilities (excluding telephone facilities), including janitor and, where applicable, elevator services, 24 hours a day, 365 days a year. The Interconnector shall be permitted to have a single-line business telephone service for the Premises subject to applicable Sprint tariffs.

16.2 Utilities. Sprint will provide negative DC and AC power, back-up power, heat, air conditioning and other environmental support necessary for the Interconnector's equipment, in the same manner that it provides such support items for its own equipment within that Premises.

16.3 Maintenance. Sprint shall maintain the exterior of the Premises and grounds, and all entrances, stairways, passageways, and exits used by the Interconnector to access the Premises.

16.4 Legal Requirements. Sprint agrees to make, at its expense, all changes and additions to the Premises required by laws, ordinances, orders or regulations of any municipality, county, state or other public authority including the furnishing of required sanitary facilities and fire protection facilities.

ARTICLE XV - DISPUTE RESOLUTION

For disputes arising out of this Agreement, the parties agree that they will follow the procedures as set forth in Section ____ of the Interconnection Agreement executed between the parties.

ARTICLE XVI - SUCCESSORS BOUND

Without limiting Article XI hereof, the conditions and agreements contained herein shall bind and inure to the benefit of Sprint, the Interconnector and their respective successors and, except as otherwise provided herein, assigns.

ARTICLE XVII - CONFLICT OF INTEREST

The Interconnector represents that no employee or agent of Sprint has been or will be employed, retained, paid a fee, or otherwise has received or will receive any personal compensation or consideration from the Interconnector, or any of the Interconnector's employees or agents in connection with the arranging or negotiation of this Agreement or associated documents. Sprint represents that no employee or agent of the Interconnector has been or will be employed, retained, paid a fee, or otherwise has received or will receive any personal compensation or consideration from Sprint, or any of Sprint's employees or agents in connection with the arranging or negotiation of this Agreement or associated

documents.

ARTICLE XVIII - NON-EXCLUSIVE REMEDIES

No remedy herein conferred upon is intended to be exclusive of any other remedy in equity, provided by law, or otherwise, but each shall be in addition to every other such remedy.

ARTICLE XIX - NOTICES

Except as may be specifically permitted in this Agreement, any notice, demand, or payment required or desired to be given by one party to the other shall be in writing and shall be valid and sufficient if dispatched by registered or certified mail, return receipt requested, postage prepaid, in the United States mail, or via professional overnight courier, or by facsimile transmission; provided, however, that notices sent by such registered or certified mail shall be effective on the third business day after mailing and those sent by facsimile transmission shall only be effective on the date transmitted if such notice is also sent by such registered or certified mail no later than the next business day after transmission, all addressed as follows:

If to Sprint:

If to the Interconnector:

Either party hereto may change its address by written notice given to the other party hereto in the manner set forth above.

ARTICLE XXI - COMPLIANCE WITH LAWS

The Interconnector and all persons acting through or on behalf of the Interconnector shall comply with the provisions of the Fair Labor Standards Act, the Occupational Safety and Health Act, and all other applicable federal, state, county, and local laws, ordinances, regulations and codes (including identification and procurement of required permits, certificates, approvals and inspections) in its performance hereunder.

ARTICLE XXII - INSURANCE

Interconnector agrees to maintain, at Interconnector's expense during the entire time that Interconnector and its equipment occupies Premises: (i) General Liability Insurance in an amount not less than one million dollars (\$1,000,000.00) per occurrence for bodily injury or property damage, (ii) Employer's Liability in an amount not less than five hundred thousand dollars (\$500,000.00) per occurrence, (iii) Worker's Compensation in an amount not less than that prescribed by statutory limits, and (iv) Umbrella/Excess Liability coverage in an amount of five million dollars (\$5,000,000.00) excess of coverage specified above.

Each policy shall be underwritten by an insurance company having a BEST insurance rating of B+VII or better, and which is authorized to do business in the jurisdiction in which the Premises is located. Interconnector shall furnish Sprint with certificates of insurance which evidence the minimum levels of insurance set forth herein and which name Sprint as an additional insured. The Interconnector shall arrange for Sprint to receive at least thirty (30) days advance written notice from the Interconnector's insurance companies of cancellation and shall notify Sprint in writing to achieve its approval should the Interconnector later elect to self-insure.

ARTICLE XXIII - Sprint's RIGHT OF ACCESS

Sprint, its agents, employees, and other Sprint-authorized persons shall have the right to enter the Premises at any reasonable time to examine its conditions, make repairs required to be made by Sprint hereunder, and for any other purpose determined to be necessary by Sprint in complying with the terms of this Agreement and providing telecommunications services at the Physical Collocation Site. Sprint may access the Premises at any time for purposes of averting any threat of harm imposed by the Interconnector or its equipment or facilities upon the operation of Sprint equipment, facilities and/or personnel located outside of the Premises. If routine inspections are required, they shall be conducted at a mutually agreeable time. Sprint agrees to minimize and to limit any and all instances in which access by its employees, agents or other persons whom it authorizes takes place and agrees not to allow any party which is suspected of any previous instance of wrongdoing of any kind or who has been subject to any form of discipline by Sprint at any time in the past to enter Premises. Sprint will, in all instances, provide to Interconnector written notification of its access to Premises any time that such access occurs without advance notice to the Interconnector and such written notification shall contain a brief explanation of the reason for such access as well as the name(s) and title(s) of such persons and Sprint shall provide to Interconnector such written notice within twenty-four (24) hours of the time when such access took place.

ARTICLE XXIII - OTHER COLLOCATION AGREEMENTS

Pursuant to the provisions of 47 U.S.C. §252(f), on written request from the Interconnector, Sprint shall make available to Interconnector any collocation agreement, interconnection arrangement, collocation or interconnection accommodation or network element or sub-element provided pursuant to an agreement or tariff to which Sprint is a party upon the same terms and conditions as those provided in the agreement or tariff. No penalties shall be imposed on the Interconnector if it requests and agrees to be bound by the prices, terms and conditions of the other such agreement, arrangement or tariff offering.

ARTICLE XXIV - MISCELLANEOUS

27.1 Exhibits. The following Exhibits are attached hereto and made part hereof:

Exhibit A, The Schedule of All Interstate and Intrastate Monthly Recurring Charges

Exhibit B, The Schedule of All Interstate and Intrastate Nonrecurring Charges

Exhibit C, Working Drawings and Specifications Entitled _____

Exhibit D, Point of Interconnection _____

27.2 Variations. In the event of variation or discrepancy between any duplicate originals hereof, including exhibits, the original Agreement shall control.

27.3 Governing Law. This Agreement shall be governed by the laws of the State in which the Premises are located, without regard to the choice of law principles thereof.

27.4 Joint and Several. If Interconnector constitutes more than one person, partnership, corporation, or other legal entities, the obligation of all such entities under this Agreement is joint and several.

27.5 Future Negotiations. Sprint may refuse requests for additional space at the Physical Collocation Site or in any other Sprint site if the Interconnector is in material breach of this Agreement. In such event, the Interconnector hereby releases and shall hold Sprint harmless.

27.6 Severability. With the exception of the requirements, obligations, and rights set forth in Article II hereof, if any of the provisions hereof are otherwise deemed invalid, such invalidity shall not invalidate the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid provision(s), and the rights and obligations of Sprint and the Interconnector shall be construed accordingly.

27.7 Paragraph Headings and Article Numbers. The headings of the articles paragraphs herein are inserted for convenience only and are not intended to affect the meaning or interpretation of this agreement.

27.8 Entire Agreement. Recognizing that this Agreement is component of a Interconnection Agreement, this Agreement with the attached schedules and exhibits, and referenced documentation and materials attached hereto set forth the entire understanding of the parties with respect to physical

collocation and supersedes all prior agreements, arrangements and understandings relating to this subject matter and may not be changed except in writing by the parties. No representation, promise, inducement or statement of intention has been made by either party which is not embodied herein, and there are no other oral or written understandings or agreements between the parties relating to the subject matter hereof except as may be referenced herein.

27.9 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

27.10 Binding Effect. (a) This Agreement is binding upon the parties hereto, their respective executors, administrators, heirs, assigns and successors in interest; (b) all obligations by either party which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature.

27.11 Force Majeure. Neither party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually-severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Condition"). If any Force Majeure Condition occurs, the party delayed or unable to perform shall give prompt notice to the other party and shall take all reasonable steps to correct the force Majeure Condition. During the pendency of such Condition, the duties of the parties under this agreement affected by the Force Majeure Condition shall be abated and shall resume without liability thereafter.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed and delivered this Agreement as of the day and year first above written.

SPRINT COMMUNICATIONS COMPANY

By: _____

Title: _____

INTERCONNECTOR:

By: _____

Title: _____

EXHIBIT A

The Schedule of All Interstate and Intrastate Monthly Recurring Charges

Element - Floor Space, Per Square Foot for All Physical Collocation Sites: \$3.20

Element - Power, Per Ampere Based on the Total Number of Run-Rate Amperes Consumed at Each

Premises: \$3.48

Element - DS1 Cross Connect, Each: \$2.55

Element - DS3 Cross Connect, Each: \$20.38

Element - OC3 Cross Connect, Each: \$45.31

Element - OC12 Cross Connect, Each: \$98.47

Element - OC48 Cross Connect, Each: \$240.28

Element - OC192 Cross Connect, Each: \$586.20

EXHIBIT B

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The Schedule of All Interstate and Intrastate Nonrecurring Charges

Element - Premises Application Fee, Applies Per Premises Per Request Except for Amendments or Supplements to Service Requests in Progress for Which No Charge Applies: \$353.53

Element - Space Preparation Fee - First, Per First Event Per Physical Collocation Site (each event includes survey and design of space, including engineering, and premises construction and all materials and preparations for physical collocation except for the optional cage pursuant to Paragraph 4.3 of the Physical Collocation Agreement and except for any power plant or HVAC upgrades resulting directly from the Interconnector's request which shall be ICB pursuant to the terms of Paragraph 4.3): \$5,100.00

Element - Space Preparation Fee - Additional, Per Additional Event at the Same Physical Collocation Site (each event includes survey and design of space, including engineering, and premises construction and all materials and preparations for physical collocation except for the optional cage pursuant to Paragraph 4.3 of the Physical Collocation Agreement and except any power plant or HVAC upgrades resulting directly from the Interconnector's request which shall be ICB pursuant to the terms of Paragraph 4.3): \$3,500.00

Element - Contiguous Expansion Bonus Payment, Applies in Addition to Space Preparation Fee - Additional, Wherever Sprint Accommodates Interconnector's Request for Expanded Space on a Contiguous Basis: \$1,500.00

Element - Entrance Cable Installation Fee, Per Entrance Cable Installed by Sprint Except for Entrance Cables Installed by Interconnector-Hired, Sprint-Approved Contractors: \$1,500.00

EXHIBIT B

Page 2 of 2

- Element - For All Special Access and Switched Transport Services Rolled Over from Sprint to the Interconnector, Rollover Charge is Applied Once Per Customer Request Per Premises for Rollover and is the Sole Charge for Each Rollover Except When the Interconnector Requests Expediting in Which Case the TASS Compliance Factor Provision Applies to Tariff Rate for Such Expediting Which is an Additional Charge to Interconnector, Rollover Charge is Not Applied to Cross Connects Below DS1, Rollover Charge is Applied at DS1 Level for DS1 Cross Connect, DS3 Level for DS3 Cross Connect, OC3 Level for OC3 Cross Connect, OC12 Level for OC12 Cross Connect, OC48 Level for OC48 Cross Connect or OC192 Level for OC192 Cross Connect: \$52.00
- Element - Cable Support Structure, Per Entrance Cable When Such Cable is Provided by the Interconnector (Cable Support Structure Charge does not apply for Service Interconnection Arrangements): \$488.81
- Element - Point of Termination Bay, Per Fully-Equipped Bay (EF&I including Ten Panels and Ladder Racking from Premises to Bay) All Provided by Sprint Upon Request of the Interconnector Pursuant to Paragraph 4.3: \$10,225.00
- Element - Cable Runs and Terminations for Point of Termination Bay, Per Fully-Equipped Bay as Described Above (EF&I Cabling from Sprint MDF/DSX Up To and Including All Terminations Within the Bay): \$5,575.00
- Element - Cross Connect Other Than Rollover, First Per Order: \$124.00
- Element - Cross Connect Other Than Rollover, Additional Per Order: \$11.20
- Element - Security Escort, Where Applicable Per First Quarter Hour: \$24.00
- Element - Security Escort, Where Applicable Per Additional Quarter Hour: \$15.00
- Element - TASS Compliance Factor, Applies as Specified Above (TASS Compliance Factor (x) Tariff Rate = Nonrecurring Charge Applied to Interconnector): 0.80