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FILE COPY

August 12, 1996

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 960838-TR

Dear Ms. Bayo:

Enclosed for filing in the above-styled docket are the original and fifteen (15) copies of each of the following:

1. Prepared Direct Testimony of William E. Cheek. 08429-96
2. Prepared Direct Testimony of James D. Dunbar, Jr. 08428-96
3. Prepared Direct Testimony of Randy G. Farrar. 08427-96

CMU *Shelfer* Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

LEG 1 Copies of Sprint United/Centel's prefiled direct testimony are being served on counsel for MFS by overnight express delivery.

OPC 1 Thank you for your assistance in this matter.

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EPSC-BUREAU OF RECORDS

Yours truly,

John P. Fons
John P. Fons

Enclosures
cc: All parties of record

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08427-96

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM E. CHEEK

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Q. Please state your name, business address and title.

A. My name is William E. Cheek. I am the Assistant Vice President of Market Management for Sprint/United Management Company, an affiliate of United Telephone Company of Florida and Central Telephone Company of Florida. My business address is 2330 Shawnee Mission Parkway, Westwood, Kansas.

Q. Please summarize your educational background and work experience.

A. I received a Bachelor of Arts degree in Business from Hendrix College in 1977. From June of 1977 through March of 1981 I was employed by Allied Telephone Company in a variety of positions pertaining to the administration of toll revenues. In 1981, I joined United Telecommunications, Inc. in Kansas City where I held a number of positions. I was responsible for the preparation of Interstate Access Tariff Filings, Demand

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1 Forecasts, Jurisdictional Separations Studies, and
2 representing United's interests as a member of National
3 Exchange Carrier Association (NECA) and United States
4 Telephone Association (USTA) task groups. As a member of
5 the USTA FCC Data Reporting task group I represented the
6 telephone industry in numerous meetings with the FCC
7 staff regarding the Tariff Review Plan and Automated
8 Regulatory Management Information System (ARMIS). I
9 joined Carolina Telephone, a Sprint company, in March of
10 1989. At Carolina Telephone, I was responsible for
11 administration of the interstate and intrastate toll and
12 access revenues derived from application of access or
13 toll rates and tariffs. I also directed the
14 administration of Carolina Telephone contracts with other
15 companies.

16
17 In March of 1994, I was named Assistant Vice President
18 Regulatory and Industry Planning for Sprint, Local
19 Telecommunications Division in Kansas City. In that
20 position, I was responsible for the development and
21 advocacy of Sprint's regulatory policy positions before
22 regulatory agencies, advocacy of Sprint regulatory
23 policies in state and federal legislative initiatives,
24 transactions with affiliates, and local competition
25 negotiations with competitive local exchange providers.

1 In April of 1996, I was named Assistant Vice President
2 Market Management. In this position, I am responsible
3 for implementing the requirements of the
4 Telecommunications Act of 1996 to facilitate competition
5 in the local marketplace, development of cost of service
6 studies, management of the interstate access market, and
7 management of the intraLATA toll market.
8

9 Q. What is the purpose of your testimony?
10

11 A. The purpose of my testimony is to respond to the matters
12 raised in the MFS Petition for Arbitration ("Petition")
13 under Section 252(b)(1), Communications Act of 1996, and
14 to respond to the prefiled testimony of Timothy Devine
15 and the other documentation which accompanied the MFS
16 Petition.
17

18 Q. On August 1, 1996, the Federal Communications Commission
19 ("FCC") adopted an order and its rules regarding
20 interconnection, unbundling and resale required by
21 Section 251, Communications Act of 1996. Does your
22 testimony rely upon or take into account the new FCC
23 rules?
24

25 A. No. Although the FCC adopted its new rules on August 1,

1 1996, the rules and accompanying order were not released
2 until August 8, 1996. I did not receive a copy of those
3 rules until August 9, 1996. These rules and the order
4 explaining them are in excess of 700 pages. Sufficient
5 time did not exist prior to the date for filing this
6 testimony to conduct a detailed review and analysis of
7 the FCC's rules and order.

8
9 Unquestionably, the FCC rules will impact the manner in
10 which Sprint will provide local interconnection,
11 unbundling and resale along with the corresponding prices
12 charged the new entrants. The negotiations between
13 Sprint and MFS to date have not had the benefit of these
14 new FCC rules.

15
16 Obviously, with the issuance of the FCC order and rules
17 there will be changes in what MFS is requesting and how
18 Sprint will respond. However, until the parties have had
19 a sufficient opportunity to read, analyze and digest the
20 new FCC rules, Sprint is responding to MFS' Petition for
21 Arbitration in good faith based upon what MFS has
22 requested. As this docket proceeds and the Company
23 completes its review of the FCC's rules and order, it
24 will adjust, change or modify its response to MFS'
25 Petition for Arbitration. Sprint is optimistic an

1 agreement may be reached between the parties prior to any
2 arbitration decision.

3
4 Q. MFS has attached to its Petition for Arbitration a
5 document titled "Florida Interconnection Agreement under
6 Sections 251 and 252 of the Telecommunications Act of
7 1996, dated July 3, 1996, by and between Sprint United-
8 Centel of Florida, Inc. and MFS Communications Company,
9 Inc." Would you please comment on this document.

10
11 A. Sprint was first presented with a copy of this proposed
12 agreement shortly after July 3, 1996. In the letter
13 transmitting this proposal, Mr. Devine of MFS stated:

14 "Please review the attached agreement and
15 return the signed copy of the agreement or
16 advise me of each provision with which you
17 disagree. I am assuming that if Sprint
18 does not formally respond to each
19 provision of the agreement, as part of the
20 formal arbitration case records, that
21 Sprint is accepting all of the provisions
22 that are contained in the agreement." See
23 Attachment B to MFS' Petition for
24 Arbitration.

25

1 It would be difficult, if not impossible, for Sprint to
2 respond to each provision of the proposed MFS
3 Interconnection Agreement as to which the Company
4 disagrees. Previously, Sprint furnished MFS with
5 Sprint's positions in the form of "The Essential Elements
6 for the Competitive Checklist" on April 12, 1996. This
7 document outlines Sprint's position on the key issues.
8 MFS agrees with the majority of these positions as
9 illustrated in MFS' letter of May 23, 1996 to Jack Burge,
10 which is attached as Exhibit No. WEC-1. Additionally,
11 MFS' proposed Interconnection Agreement was drafted prior
12 to the issuance of the FCC's order and rules on
13 interconnection, unbundling and resale and does not
14 reflect the requirements imposed on the parties by those
15 rules and interpretive order. Finally, much of what MFS
16 is requesting in its proposed Interconnection Agreement
17 has already been addressed and rejected by this
18 Commission in its Order Nos. PSC-96-0668-FOF-TP and PSC-
19 96-0811-FOF-TP. Therefore, Sprint is disagreeing with
20 each and every provision of the proposed MFS
21 Interconnection Agreement, except as otherwise
22 specifically agreed to in my testimony.

23
24 Q. If Sprint is rejecting MFS' proposed Interconnection
25 Agreement, does Sprint have an alternative proposal?

1 A. Yes. Sprint Corporation has prepared and developed a
2 draft Interconnection and Resale Agreement ("Sprint Model
3 Agreement"), a copy of which is attached hereto as
4 Exhibit No. WEC-2. Because this draft agreement was
5 prepared by Sprint Corporation, which serves several
6 different telecommunications, markets; i.e., local, long
7 distance, wireless and competitive local exchange, this
8 draft agreement reflects a balanced approach to the
9 rights, responsibilities and obligations of the parties
10 engaging in local exchange competition consistent with
11 the Communications Act of 1996. This draft agreement
12 does not reflect any changes in the rights and
13 obligations of the parties necessitated by the FCC's new
14 rules. Moreover, the agreement will of necessity be
15 modified and refined going forward as circumstances
16 require.

17
18 Nonetheless, this draft agreement is the most appropriate
19 vehicle for purposes of arbitrating the positions of the
20 parties. This will be the interconnection and resale
21 agreement that the non-ILEC Sprint entities will present
22 to the LECs throughout Florida and other states when
23 those Sprint entities enter the local exchange markets.
24 When Sprint completes its review and analysis of the
25 FCC's rules, Sprint will modify, adjust and change as

1 necessary those agreement provisions impacted by the
2 FCC's rules.
3

4 Q. Will you please describe how you will respond to MFS'
5 Petition for Arbitration and other documentation?
6

7 A. MFS' Petition for Arbitration and Mr. Devine's prefiled
8 direct testimony are not entirely compatible in the
9 number and makeup of the issues addressed and for which
10 MFS claims arbitration is required. Rather than the
11 Company separately responding to the issues raised by MFS
12 in its Petition for Arbitration, since Mr. Devine is MFS'
13 sole witness, the Company takes the position that all
14 issues raised there have been subsumed in Mr. Devine's
15 prefiled direct testimony. Thus, my testimony covers all
16 of the issues raised by MFS in its request.
17

18 However, there are matters contained in MFS' proposed
19 comprehensive interconnection agreement which are not
20 addressed in MFS' Petition, Mr. Devine's testimony or
21 never raised in MFS' negotiations with Sprint. For
22 example, Section 10.0 of the MFS proposed interconnection
23 agreement, titled "Resale of Sprint Local Exchange
24 Services -- Section 251(c)(4) and 251(b)(1)1" requires
25 Sprint to make all of its local exchange services

1 available to MFS for resale. Because this issue has
2 never been negotiated, it is not properly before the
3 Commission, and I will not address it in my testimony.
4 There may be other such issues as well.
5

6 My testimony will respond to the issues addressed in Mr.
7 Devine's prefiled direct testimony in the order that he
8 presents them. I will state whether Sprint agrees or
9 disagrees with MFS' position and/or MFS' proposed
10 provision; the basis for the Company's disagreement, if
11 any; and the Company's proposed resolution with reference
12 to the Sprint Model Agreement where appropriate.
13

14 Interconnection Points

15 Q. Would you please comment on Mr. Devine's contention, at
16 page 14 of his prefiled direct testimony, that there is
17 a controversy over the point of interconnection.
18

19 A. There really is not a controversy over the point of
20 interconnection; i.e., Maitland or Winter Park. The
21 controversy is over whether the facilities between MFS'
22 Maitland switch and Sprint's Winter Park tandem switch
23 will be constructed on a meet-point basis. Sprint has
24 agreed to construct facilities to the wire center
25 boundary or half way between Sprint's switch and the CLEC

1 switch, whichever is less. Each company will pay the
2 cost of its own construction. If the limits are
3 exceeded, then MFS will be required to incur the costs of
4 the facilities beyond these limits. These limitations
5 are necessary to prevent the CLEC from imposing costs on
6 Sprint that result solely from the CLEC's decision where
7 to locate its switch. In this situation, there is no
8 disagreement on the Maitland/Winter Park interconnection.
9

10 Trunking, Signaling, etc. and Two-way Trunking

11 Q. Please respond to Mr. Devine's testimony, page 15,
12 beginning at line 1 and page 16, line 16 through page 17,
13 line 4 regarding trunking and signaling.
14

15 A. Sprint has already committed to interconnect for trunking
16 and signaling at its tandems, end offices and at midspan
17 meets with two-way and/or one-way industry standard
18 trunking facilities and signaling arrangements. Sprint
19 supports the Commission's finding in Order No. PSC-96-
20 0668-FOF-TP, pages 40 and 41. These arrangements are
21 covered in the Sprint Model Agreement, Exhibit No. WEC-2,
22 Sections IV.B. and IV.B.a.
23

24 Compensation for Transiting Traffic

25 Q. Please respond to Mr. Devine's testimony, page 15, line

1 16 through page 16, line 13 regarding (1) direct and (2)
2 switched interconnections between CLECs.
3

4 A. With regard to direct connections, Sprint does not oppose
5 collocated CLECs establishing direct connections between
6 each other's facilities as long as the connections are
7 made using Sprint's tariffed cross-connect facilities
8 and, if required, tariffed cable and conduit facilities.
9 See FPSC Staff Memorandum in Docket No. 950985-TP, Issue
10 5, page 27, approved by the Commission at the July 30,
11 1996, Agenda Conference.
12

13 Sprint agrees with MFS, that MFS should pay Sprint for
14 switched traffic that MFS delivers to Sprint's tandem
15 switch for termination to another CLEC or other carrier.
16 MFS should pay Sprint for the use of Sprint's tandem
17 switching and for any transport facilities provided by
18 Sprint that are necessary to transport the call to and
19 from Sprint's access tandem switch to the CLECs' points
20 of interconnect. With Sprint's proposed port charge for
21 tandem switching, a separate transiting switch charge is
22 not necessary. These costs would be recovered based on
23 the number of ports required by MFS to switch the
24 combined total traffic for both call termination to
25 Sprint's end users and transiting traffic for termination

1 to other ALECs or ILECs. In addition, transport charges
2 would be applicable based on MFS' traffic volumes.
3

4 **Busy Line Verification & Interrupt**

5 Q. Please respond to Mr. Devine's testimony, page 17, lines
6 7 through 12 regarding Busy Line Verification and
7 Interrupt ("BLVI") services.
8

9 A. Sprint is willing to jointly establish procedures to
10 offer BLVI services on calls between MFS's and Sprint's
11 end users. BLVI calls should be routed over appropriate
12 trunk groups.
13

14 Sprint will provide these retail services on a non-
15 discriminatory basis at wholesale rates consistent with
16 Section 251(d)(3) of the 1996 Act.
17

18 **Local Interconnection Compensation**

19 Q. Please respond to Mr. Devine's testimony, page 17, line
20 15 through page 23, line 17 regarding setting a local
21 call termination rate.
22

23 A. MFS witness Mr. Devine asks that the Commission order a
24 local call termination charge on the basis of "a single,
25 identical, reciprocal and equal compensation charge" and

1 at a rate "of \$0.005 per minute." Sprint agrees with
2 MFS' proposal to charge a cost-based call termination
3 rate. However, Sprint disagrees with regard to the use
4 of a single charge for all types of traffic and the rate
5 and rate structure proposed by MFS.
6

7 Sprint proposes that its rates for local call termination
8 be based on the type of interconnection requested and the
9 associated cost of the facilities used to provide the
10 tandem and transport. That is, where a CLEC
11 interconnects at an access tandem and uses Sprint's
12 tandem switching and transport facilities to reach an end
13 office, the rates should cover the cost of the tandem
14 switch and the cost of the interoffice transport between
15 the tandem and the terminating end office.
16

17 There is also a cost for the end office switch, however,
18 Sprint proposes to bill and keep for end office switching
19 on a reciprocal basis for an interim 2-year period to
20 allow for traffic patterns to fully develop. Thus, where
21 a CLEC uses its own transport to reach an end office, it
22 would avoid the tandem switch cost and interoffice
23 transport since termination at the end office does not
24 require the use of those facilities.
25

1 Sprint proposes that a flat-rate DS-1 tandem port charge
2 is an appropriate billing mechanism for the access tandem
3 switching. The charge for transport is based on TSLRIC
4 and billed on a distance sensitive basis for the amount
5 of capacity ordered by MFS to terminate its traffic.
6

7 Q. Please explain why the switching charge should be a flat-
8 rated, capacity-based port charge.
9

10 A. The most appropriate pricing mechanism for reciprocal
11 compensation is flat-rated, capacity-based port charges.
12 Depending on MFS' network requirements and traffic
13 patterns, MFS will interconnect at a DS-1 or higher
14 capacity level at the tandem or end office. Likewise,
15 Sprint would need to purchase call termination capacity
16 from MFS.
17

18 The advantage of a port charge is that it is
19 administratively simple, and it ensures that both
20 companies will be compensated relative to the level of
21 services provided. It is a standard industry method for
22 interconnection (Bellcore Standard No. TR-NWT-00499). It
23 also provides an efficiency incentive in that the
24 interconnectors can maximize the utilization of the
25 facility by encouraging off peak usage.

1 Q. What price does Sprint propose for its tandem switching
2 and transport functions?

3

4 A. The price of tandem switching and transport is the same
5 as the costs for these functions. The costs are
6 reflected in Exhibit RGF-1 to Mr. Farrar's testimony.
7

8 Local Unbundling and Loops

9 Q. Please respond to Mr. Devine's testimony, page 24, line
10 4 through page 26, line 4, page 27, line 6 through 28,
11 line 6 and page 30, line 13 through page 40, line 4
12 regarding unbundled loops.
13

14 A. Sprint agrees with Mr. Devine's testimony on page 26,
15 lines 1 through 4, which states "This Commission has
16 already ordered that local loops be provided on an
17 unbundled basis."
18

19 Sprint also agrees with Mr. Devine that "loop costs vary
20 with distance and density and that deaveraged pricing is
21 something that needs to be developed." Sprint does not,
22 however, have unbundled loop costs on the basis of rural,
23 suburban, and urban as proposed by MFS. As discussed in
24 greater detail in the testimony of Mr. James D. Dunbar,
25 Jr., Sprint has calculated loop costs by census block

1 group for its service territory in Florida. Sprint has
2 not developed a proposal for deaveraged loop pricing at
3 this time; however, using the average cost of \$20.01 as
4 stated in Mr. Dunbar's testimony, the price for Sprint
5 loops in the Winter Park/Maitland area is \$23.01.
6

7 Q. What specific unbundled elements should be made
8 available?
9

10 A. The Act:

11 ▶ Requires all incumbent local exchange carriers
12 (ILECs) to provide, to any requesting
13 telecommunications carrier for the provision of a
14 telecommunications service, nondiscriminatory
15 access to network elements on an unbundled basis at
16 any technically feasible point on rates, terms, and
17 conditions that are just, reasonable, and
18 nondiscriminatory. (251(c)(3)).

19 ▶ Requires ILECs to provide unbundled network
20 elements in a manner that allows carriers to
21 combine the elements in order to provide the
22 telecommunications service. (251(c)(3)).

23 ▶ Defines a network element as a facility or
24 equipment used in the provision of a
25 telecommunications service, including features,

- 1 functions, and capabilities such as subscriber
2 numbers, databases, signaling systems, and
3 information sufficient for billing and collection,
4 or used in transmission, routing, or provision of
5 a telecommunications service. (3(a)(45)).
- 6 ▶ Requires the FCC, in determining which network
7 elements will be made available, to consider, at a
8 minimum, whether (A) access to network elements
9 that are proprietary is necessary, and (B) whether
10 failure to provide access to these network elements
11 would impair the ability of a carrier to provide
12 the services it wishes. (251(d)(2)).
- 13 ▶ Requires that prices be based on cost (without
14 reference to any rate-based proceeding) and be
15 nondiscriminatory, and may include a reasonable
16 profit. (252(d)(1)).
- 17 ▶ Requires BOCs, as part of their competitive
18 checklist, to unbundle loop transmission, trunk
19 side local transport, and local switching.
20 (271(c)(2)(B)(iv)-(vi)).
- 21
- 22 Q. Please define what you mean by local loop transmission,
23 trunk side local transport and local switching.
- 24
- 25 A. Local loop transmission means non-switched transmission

1 between a central office and the customer's location.
2 The customer location may be the premises of another
3 telecommunications carrier.

4
5 Trunk side local transport means transmission from the
6 trunk side of a switch to a telecommunications carrier's
7 facilities. Local transport does not include switching.
8 Tandem switching should also be offered as a separate
9 element, but may be bundled with transport if agreed upon
10 by interconnecting carriers.

11
12 Local switching means the end-office switching of
13 exchange service and exchange access traffic. There are
14 two subelements associated with unbundled local
15 switching. One subelement is the line side port. This
16 port includes a line side connection and all of the usage
17 and software associated with the connection. A second
18 subelement is the trunk side port. This port includes a
19 trunk side connection and all of the usage and software
20 associated with the connection.

21
22 Q. Are these the same unbundled network elements that MFS
23 has requested in this arbitration proceeding?

24
25 A. No. For example, MFS has requested local service

1 unbundling rather than the individual network elements,
2 local switching and loop. Thus, MFS is requesting that
3 local dial tone be segregated into two separate elements:
4 a local loop, or a link, and a port. The port includes
5 a telephone number, a white page directory listing,
6 switching and transport of local calls, and access to
7 directory assistance, 911 and operator services. This is
8 not how Sprint interprets the Act, however, Sprint has
9 agreed to unbundle the port as requested by MFS and as
10 ordered by this Commission in Docket No. 950984-TP, Order
11 No. PSC-96-0811-FOF-T?.

12
13 Q. Are there other differences?

14
15 A. Yes. MFS has requested that Sprint provide unbundled 2
16 wire ADSL, 2 wire HDSL and 4 wire HDSL loops. However,
17 these are not services which Sprint currently provides,
18 but are technologies for increasing the transmission
19 speeds and/or capacity of existing loop facilities.

20
21 Q. Does Sprint object to providing the requested loops?

22
23 A. No. However, we need to determine what technical
24 parameters are required and to determine our capabilities
25 to design, install and maintain the requested facilities.

1 MFS would be responsible for any cost that may be
2 required to provide the requested loops if they require
3 the Company to incur additional cost to provision,
4 design, test, maintain and repair.
5

6 Collocation

7 Q. Does Sprint offer collocation as requested by Mr. Devine
8 in his testimony on page 27, beginning on line 11?
9

10 A. Yes, and Sprint has agreed to collocate MFS' local
11 interconnection and transmission equipment including loop
12 concentration equipment. This is covered in the Sprint
13 Model Agreement, Exhibit No. WEC-2, Sections IV.5.a. and
14 b.
15

16 Q. Does Sprint agree to MFS' proposed cross-connection
17 procedure whereby MFS dictates the technology?
18

19 A. No. In most instances, what MFS is requesting should not
20 be a problem, however, interconnection technology should
21 be based on a mutual agreement, not whatever MFS orders,
22 unless MFS pays the additional cost that Sprint incurs to
23 meet MFS' request for a specific type of hand-off, e.g.,
24 SONET.
25

1 Additional Unbundling Requirements

2 Q. At page 28 of his prefiled direct testimony, Mr. Devine
3 claims that Sprint should be required to provide MFS with
4 a variety of additional unbundling arrangements. Would
5 you please comment on these claims.

6
7 A. Yes. Mr. Devine's prefiled direct testimony refers the
8 reader to § 9.0 of MFS' proposed Comprehensive
9 Interconnection Agreement. There, MFS lists a series of
10 operational arrangements. Sprint agrees to provide these
11 arrangements as reflected in the Sprint Model Agreement,
12 Exhibit No. WEC-2, Section V.A.4.

13
14 Billing Statement

15 Q. Mr. Devine, at page 29, lines 12 to 15, requests that
16 Sprint be required to bill all unbundled facilities
17 purchased by MFS on a single consolidated statement per
18 wire center. What is the Company's position?

19
20 A. MFS offers no evidence as to why this requirement is
21 necessary. The Commission rejected MFS' similar request
22 in Docket No. 950984-TP, although the Commission required
23 the parties to negotiate "some type of billing
24 arrangement . . . for the ordering of unbundled
25 elements." Order No. PSC-96-0811-FOF-TP. (Emphasis

1 added.) Sprint is willing to work with MFS on developing
2 this Commission-ordered billing arrangement, but MFS has
3 not receded from its previously rejected billing request.
4

5 Fresh Look

6 Q. On page 28, line 17, of his prefiled testimony, Mr.
7 Devine contends that "Sprint should permit any customer
8 to convert its bundled service to an unbundled service
9 and assign such service to MFS, with no penalties,
10 rollover or termination charges to MFS or the customer.
11 MFS should only be responsible for the direct costs
12 incurred to convert the customer." He goes on to claim,
13 on page 29, line 2, that, "such 'fresh look' provisions
14 are a common consumer protection procedures in Florida."
15 Do you agree with Mr. Devine's contention and claim?
16

17 A. Sprint agrees with Mr. Devine that "MFS should only be
18 responsible for the direct costs incurred to connect the
19 customer." As the Commission found, when faced with this
20 same contention by MFS in Docket No. 950984-TP, (1) there
21 are specific nonrecurring charges that are necessary to
22 cover the costs of converting service to the ALECs; and
23 (2) MFS agreed that there are such costs and the ALECs
24 ought to pay for these nonrecurring costs of conversion.
25

1 Additionally, the Commission found that there may be
2 situations in which the LEC customer is under a contract
3 and termination liability charges would apply if the
4 contract terminated early. Sprint acknowledges that the
5 existence of a contractual arrangement with a customer
6 which includes a termination liability provision may make
7 it difficult for that customer to choose MFS or another
8 CLEC to provide the customer's local exchange service.
9 It may, therefore, be appropriate for customers with
10 existing contractual relationships with Sprint to cancel
11 such contract to become an MFS customer without incurring
12 the termination liability during a brief period - not to
13 exceed ninety (90) days - after MFS commences its
14 marketing activities in Sprint's market area or the
15 Commission approves a negotiated or arbitrated
16 interconnection agreement pursuant to Sections 251 and
17 252 of the Communications Act of 1996, whichever occurs
18 first. Any contractual relationship between a customer
19 and Sprint entered into after the expiration of the
20 initial ninety-day period will not be subject to a "fresh
21 look" and the termination liability provision will be
22 fully enforceable if the customer cancels for any reason,
23 including to take similar service from MFS.

24
25 Additionally, any customer who takes advantage of this

1 "fresh look" window should be eligible to return to
2 Sprint within 90 days without incurring termination
3 charges from MFS.
4

5 Request Process

6 Q. At page 30 of Mr. Devine's prefiled direct testimony, in
7 which he references § 9.0 and Ex. 14.0 of MFS' proposed
8 Comprehensive Interconnection Agreement, he outlines MFS'
9 requirements for requesting unbundled facilities. Would
10 you please comment on MFS' requirements.
11

12 A. Sprint agrees to provide MFS with a process for
13 requesting unbundled loops. The Company's proposed
14 approach is set forth in Sprint's Model Agreement,
15 Exhibit No. WEC-2, Sections V and XVIII.
16

17 Commission Pricing Guidelines

18 Q. At page 32 of his prefiled direct testimony, on line 6,
19 Mr. Devine states that the Commission should adopt a
20 pricing guideline to prevent discrimination between the
21 prices charged to MFS for unbundled elements and the
22 prices charged to the Company's end users. He suggests
23 that the "sum of the prices of the unbundled rate
24 elements (link, port, and cross connect) must be no
25 greater than the price of the unbundled dial tone." Do

1 you believe this is an appropriate pricing guideline for
2 unbundled facilities?

3
4 A. No. What Mr. Devine is requesting is to put a cap on the
5 prices for unbundled elements that may in fact cause the
6 price to be below cost. This result is in direct
7 conflict with the requirements of the Federal
8 Communications Act of 1996 and Florida Statutes. The
9 appropriate pricing mechanism is set forth in the Sprint
10 Model Agreement, Exhibit No. WEC-2, Section V.B. It is
11 Sprint's position that unbundled network elements should
12 be provided at a rate to be computed based on TSLRIC of
13 each such element, plus an amount not to exceed 15% of
14 TSLRIC, which represents recovery by the Company of costs
15 associated with joint and common facilities. This
16 position is consistent with state and federal law.

17
18 Stipulated Damages

19 Q. Beginning at page 40, line 5, of his prefiled testimony,
20 Mr. Devine references § 23.0 of the Comprehensive
21 Interconnection Agreement regarding MFS' request that the
22 Commission require a stipulated damages provision. Mr.
23 Devine claims (1) "[S]tipulated damages provide an
24 efficient, effective mechanism for enforcing one of the
25 most important provisions of the Interconnection

1 Agreement;" (2) "[S]tipulated damages provide an
2 unambiguous financial incentive for parties to comply
3 with the terms and conditions of an interconnection
4 agreement;" and (3) the Commission addressed stipulated
5 damages in the Interconnection and Unbundling
6 proceedings. Do you agree with any of Mr. Devine's
7 claims?
8

9 A. No. First, with respect to Mr. Devine's claim that
10 stipulated damages "provides an efficient, effective
11 mechanism," what MFS is really looking for is a penalty
12 to be imposed by MFS whenever it wishes for even a
13 trivial breach of the Agreement. At § 23.3 of the
14 referenced Comprehensive Agreement, MFS is requiring
15 Sprint to accept a stipulated damages amount of \$75,000
16 "for each Specified Performance Breach" which is defined
17 in the Comprehensive Agreement to mean "the failure by
18 Sprint to meet the Performance Criteria for any Specified
19 Activity for a period of three (3) consecutive calendar
20 months." The Comprehensive Agreement goes on to specify
21 the definition of "Specified Activity" and "Performance
22 Criteria" which involve the installation of unbundled
23 loops, provision of interim number portability and repair
24 of out of service problems within certain specified time
25 frames. Nowhere in Mr. Devine's prefiled testimony or in

1 MFS' Petition or supporting documentation is there any
2 evidence offered as to how Sprint's failure to perform
3 the "Specified Activities" within the "Performance
4 Criteria" warrants \$75,000 for each "Specified
5 Performance Breach." Whether or not such stipulated
6 damages provision can be imposed by the Commission or is
7 even legally enforceable, the amount sought to be imposed
8 is punitive and bears no reasonable relationship to the
9 conduct sought to be complied with.

10
11 Second, with respect to claim (2), that stipulated
12 damages provide an "unambiguous financial incentive for
13 the parties to comply" with the terms and conditions of
14 the Comprehensive Agreement, the stipulated damages
15 proposed by MFS apply only to Sprint's activities, and
16 not to MFS' activities, and therefore provide no
17 financial incentive for MFS to comply with the terms and
18 conditions of the Comprehensive Agreement.

19
20 Finally, with respect to Mr. Devine's claim that the
21 Commission addressed stipulated damages in the
22 Interconnection and Unbundling proceedings, there is
23 nothing in the Orders issued by the Commission in those
24 proceedings which even remotely resembles an addressing
25 of stipulated damages. This is not surprising since

1 stipulated damages was not even discussed, let alone
2 requested by MFS, in those proceedings.
3

4 Q. Does the Federal Communications Act of 1996, Chapter 364,
5 Florida Statutes, or the FCC's rules implementing the
6 federal Act require stipulated damages as an element of
7 negotiated or arbitrated interconnection and unbundling
8 agreements?
9

10 A. No. Clearly, if stipulated damages was considered by the
11 Congress, the Florida Legislature or the FCC to be "one
12 of the most important provisions" of an interconnection
13 agreement - as Mr. Devine claims in his testimony - then
14 it would seem that one or all of those policymaking
15 bodies would have included it in legislation or rules,
16 but they have not. To now attempt to require Sprint to
17 expose itself to such unrealistic liability in the guise
18 of a "Stipulation" is inconsistent with the principal
19 thrust of the state and federal legislation which
20 requires, in the first instance, negotiated agreements.
21 At no time prior to the instant Petition for Arbitration
22 has MFS ever raised or suggested a "Stipulated
23 Liability" provision as part of its negotiations with
24 Sprint.
25

1 Q. Does Sprint believe that no liability should attach to
2 failure to meet performance specifications of an
3 interconnection agreement?
4

5 A. No. Sprint supports a liability for service outages,
6 other than from typical force majeure conditions, in an
7 amount equal to the proportionate charge for the element
8 or service during the period of time service was
9 affected. We do not support the imposition of liability
10 for liquidated or consequential damages.
11

12 Information Services Traffic

13 Q. Would you please comment on MFS' position with regard to
14 Information Services Traffic as set out on page 41, of
15 Mr. Devine's prefiled direct testimony and § 7.1 of MFS'
16 proposed interconnection agreement?
17

18 A. In MFS' proposed interconnection agreement, Sprint is
19 required to serve as the intermediary between MFS and the
20 information service providers (IP) for a variety of
21 activities including, for example, requiring Sprint to
22 (1) transfer the IP's rate information to MFS, and (2)
23 receive the IP's charges from MFS for passage on to the
24 IP. It is not Sprint's responsibility to act as MFS'
25 intermediary with the IPs. MFS should not be treated any

1 different than adjacent LECs are treated today. The
2 current procedure, as supported by Sprint's tariff, is
3 that the IP assumes responsibility for making suitable
4 arrangements with the appropriate telephone company for
5 the provisioning of service and the billing of charges
6 for those IP calls that originate outside of the
7 Company's service area.

8
9 Mr. Devine contends that the arrangement it proposes, in
10 which Sprint is to act as MFS' intermediary with IPs, was
11 ordered by the Commission in Docket No. 950985-TP. A
12 review of Order No. PSC-96-0668-FOF-TP, however,
13 indicates that the Commission in fact rejected MFS'
14 request for the identical arrangement. The Commission
15 stated:

16 We agree with United/Centel that the IP
17 (Information Provider) should assume the
18 responsibility for making suitable
19 arrangements with the appropriate LEC or
20 ALEC for the provisioning of service and
21 the billing of charges for those calls
22 to pay-per-call numbers that originate
23 outside the LEC's or ALEC's territory.

24 Order, page 39. Nothing has changed since the
25 Commission's Order to now warrant imposing MFS' requested

1 arrangement.

2

3 Information (Call Guide) Pages

4 Q. At page 45 of his prefiled testimony, beginning at line
5 1, Mr. Devine indicates the importance of including
6 competitors' customer information in Sprint's telephone
7 directories, and at page 46, beginning at line 1, he
8 states that "Sprint is willing to include information
9 about MFS' installation, repair, customer service and
10 other service oriented information, as it should." He
11 then goes on to complain that "Sprint refuses to include
12 MFS' logo at no cost to accompany that information so MFS
13 customers can easily identify it." Can you explain why
14 Sprint does not agree to include MFS' logo at no cost in
15 the White Pages Directory information pages?

16

17 A. Sprint's directory publishers will include the
18 traditional customer listing in the White Pages Directory
19 for MFS' customers and distribute the directory at no
20 charge to MFS. These companies also have agreed to
21 include consumer-oriented information about MFS in the
22 White Pages Directory Information (Call Guide) pages.
23 However, these publishers have not agreed to allow MFS or
24 any other CLEC to place its logo on these pages at no
25 cost. MFS should deal directly with the publishers of

1 the White Pages Directory on this issue. This is not a
2 matter which the Commission can compel Sprint to provide
3 or accomplish.
4

5 Telephone Number Resources

6 Q. Mr. Devine contends at page 46 of his prefiled direct
7 testimony that Sprint must be required to provide MFS
8 with adequate telephone number resources. Could you
9 please respond to his comments?
10

11 A. This issue was tried and decided in Docket No. 950985-TP.
12 In that proceeding, the Company stated that it is not the
13 numbering plan manager and therefore is not in control of
14 NXX assignments. MFS acknowledged that Sprint does not
15 assign NXX codes. Nonetheless, Sprint stated in
16 testimony that telephone numbering policy must be broadly
17 developed and administered in a competitively neutral
18 manner. The Commission, in its Order No. PSC-96-0668-
19 FOF-TP, at page 47, recognized that the Company is not
20 the numbering administrator for its region, but to the
21 extent it has control over NXX codes it must assign NXX
22 codes to CLECs on the same basis that such assignments
23 are made to Sprint and other code holders. Sprint agrees
24 to make telephone number resources available to MFS, as
25 set forth in the Sprint Model Agreement, Exhibit No. WEC-

1 2, Section VIII.

2
3 Tandem Subtending & Meet-Point Billing

4 Q. Mr. Devine proposes, beginning at page 47 of his prefiled
5 direct testimony, that Sprint provide tandem switching
6 within a LATA in order for MFS's switch to "subtend" the
7 tandem. Is this an appropriate interconnection
8 arrangement?

9
10 A. Yes, that is one method of interconnection, there are
11 others that are also acceptable. In each Sprint exchange
12 area in which MFS chooses to offer local exchange
13 service, MFS may interconnect its network facilities at
14 any technically feasible point of interface within
15 Sprint's network including: at Sprint access tandem(s);
16 to end office(s) switches; or, other wire centers,
17 (collectively referred to as "POI"). The POIs are the
18 point(s) of physical interconnection. As MFS initiates
19 exchange service operations in additional Sprint exchange
20 areas, and requests additional POIs, Sprint will
21 interconnect with MFS at the designated POI, whether the
22 POI is at an access tandem, end office or mid-span meet
23 point within the exchange.

24
25 Interconnection to a Sprint end office(s) will provide

1 MFS access only to the NXX's served by that individual
2 end offices(s) to which MFS interconnects.
3

4 Interconnection to a Sprint local tandem(s) will provide
5 MFS local access to the Sprint end offices and NXX's
6 which subtend that tandem(s), and to other companies
7 which are connected to that tandem(s). Interconnection
8 to a Sprint access tandem will provide MFS interexchange
9 access to Sprint, Interexchange carriers (IXCs), CLEC,
10 ILECs, and CMRS providers which are connected to that
11 tandem. Where a Tandem Switch also provides End Office
12 Switch functions, interconnection to a Sprint access
13 tandem serving that exchange will also provide MFS access
14 to Sprint's access offices with the same functionality
15 described above.
16

17 Q. What are the appropriate meet point billing arrangements
18 for jointly provisioned originating and terminating
19 access services?
20

21 A. Sprint and MFS agree to conform to MECAB and MECOD
22 guidelines. Sprint will exchange Billing Account
23 Reference and Bill Account Cross Reference information
24 and will coordinate Initial Billing Company/Subsequent
25 Billing Company billing cycles with MFS.

1 Exchange access meet point billing arrangements will be
2 made available to MFS. Where Sprint currently has meet
3 point arrangements, they shall be made available on the
4 same terms and conditions as are made available by Sprint
5 to other ILECs engaged in meet point billing arrangements
6 with Sprint.

7
8 No discrete development charges shall be imposed on MFS
9 for the establishment of standard meet point billing
10 arrangements.

11
12 Where Sprint provides transit functions, Sprint will
13 prepare and transmit inward terminating call records for
14 the appropriate IXCs to MFS in an agreed upon form (e.g.,
15 EMR). Such files will be transmitted daily in an agreed
16 upon media (e.g., Network Data Mover ("NAM")).

17
18 Sprint also proposes to capture inward and outward
19 terminating call records and send them to MFS in an
20 agreed upon industry standard format (e.g. EMR).

21
22 Sprint will exchange the appropriate records to bill
23 exchange access charges to IXCS as appropriate, in daily
24 files via an agreed upon media (e.g. Network data mover
25 (NDM)).

1 Sprint agrees to exchange test files to support
2 implementation of meet point billing, local service
3 billing, CLASS feature billing, and other access or
4 wholesale service elements prior to live bill production.
5

6 When MFS owns the end-office, Sprint will not bill the
7 transport residual interconnection charge ("RIC") to
8 either MFS or the IXC.
9

10 Sprint supports the use of multiple bill/multiple tariff
11 as the billing and settlement method for both switched
12 and special access services. Sprint cannot support
13 single bill/multiple tariff methodology for jointly
14 provided switched access, as MFS has proposed, because
15 Sprint's access billing system cannot accommodate this
16 arrangement. Also, Sprint does not support single
17 bill/single tariff meet point billing. In an
18 increasingly competitive market place with frequently
19 changing rates and rate structures, billing accuracy
20 would be compromised. The multiple bill/single tariff
21 method could not be used between Sprint and MFS unless
22 MFS concurred with Sprint's tariffs. Multiple
23 bill/single tariff billing is rarely, if ever, employed
24 between LECs.
25

1 It is not at MFS' sole discretion which meet point
2 billing method is utilized. Sprint's access tariffs
3 state the Exchange Telephone Companies involved in the
4 provision of jointly provided service must agree to the
5 meet point billing methodology. Also, it is common
6 industry practice for the companies to agree on the meet
7 point billing method.
8

9 For the above mentioned reasons Sprint recommends
10 multiple bill/multiple tariff billing arrangements for
11 MFS and Sprint provided access services. This method
12 better reflects the competitive realities and more
13 efficiently accommodates diverse pricing philosophies.
14

15 Q. On page 48, line 12, of his prefiled direct testimony,
16 Mr. Devine suggests that Sprint and MFS should provide
17 each other, at no charge, various usage data. Do you
18 agree?
19

20 A. Yes. With regard to meet-point billing, billing
21 information should be exchanged on a reciprocal basis at
22 no charge. For other billing services, MFS will be
23 provided services on the same terms and conditions as
24 other LECs and IXCs. The Commission has already reached
25 a decision on these issues, and Sprint supports the

1 Commission's finding as stated on page 39 of Order No.
2 PSC-96-0668-FOF-TP.

3

4 911/E911

5 Q. At page 52, lines 14 and 15, of his prefiled direct
6 testimony, Mr. Devine states that the provisions relating
7 to 911 and E911 service set forth in MFS' proposed
8 interconnection agreement should be adopted. What is
9 Sprint's position on the provisions of 911 and E911
10 capability?

11

12 A. Sprint will provide for interconnection of MFS's trunks
13 to Sprint's 911/E911 selective routers/911 tandems for
14 the provision of 911/E911 services and for access to all
15 sub-tending Public Safety Answering Points ("PSAP") in
16 areas where MFS provides exchange service. Sprint will
17 provide MFS with the appropriate Common Language Local
18 Identifier ("CLLI") codes and specifications of the
19 tandem service area.

20

21 As stated in the Sprint Model Agreement, Exhibit No. WEC-
22 2, Section VII.A., where Sprint is the owner or operator
23 of the 911/E911 database, Sprint will maintain, and the
24 Parties will agree upon the time frame for automated
25 input and daily updating of 911/E911 database information

1 related to MFS's end users. Sprint will work
2 cooperatively with MFS to ensure the accuracy of the data
3 transfer by verifying it against the Master Street
4 Address guide (MSAG). MFS shall use the NENA standards
5 for street addressing and abbreviations, including a
6 Carrier Code (NENA standard 5 - character field) on all
7 ALI records sent to Sprint. MFS is responsible for
8 record data it provides to Sprint for entry in the
9 database or, when available, for the information it
10 enters into the database and agrees to indemnify and hold
11 Sprint harmless from any and all claims or actions
12 arising out of or relating to MFS's negligence or
13 intentional acts, errors or omissions in providing the
14 record data to Sprint. Additionally, Sprint shall work
15 with the appropriate governmental authorities to provide
16 MFS the ten-digit telephone number of each PSAP which
17 sub-tends each Sprint selective router/911 tandem to
18 which MFS is interconnected. Sprint will input MFS's
19 data in an interval that is no less frequent than that
20 used by Sprint for its end user.

21
22 Sprint will jointly work with MFS to establish a default
23 arrangement/disaster recovery plan including an emergency
24 back-up number in case of massive trunk failures.
25

1 Sprint will use its best efforts to facilitate the
2 prompt, robust, reliable, and efficient interconnection
3 of MFS systems to the 911/E911 platforms, with standards
4 of provisioning, service, and performance that are non-
5 discriminatory and are at least equal to those employed
6 by Sprint for itself, its affiliates and/or subsidiaries,
7 and other carriers providing switched local exchange
8 services.

9
10 Directory Assistance

11 Q. Does Sprint agree with MFS' position on Directory
12 Assistance services set forth at pages 53 and 54 of Mr.
13 Devine's prefiled direct testimony?

14
15 A. Sprint's position on Directory Assistance services is set
16 forth in Sprint's Model Agreement, Exhibit No. WEC-2,
17 Section VII.C. Where Sprint is a directory assistance
18 service provider, at MFS's request, subject to any
19 existing system capacity restraints which Sprint shall
20 work to overcome, Sprint will provide to MFS for resale,
21 unbranded directory assistance service which is
22 comparable in every other way to the directory assistance
23 service Sprint makes available to its own end users.

24
25 When available, at MFS's request, Sprint will:

- 1 1. provide to MFS operators or to a MFS designated
2 operator bureau on-line access to Sprint's
3 directory assistance database, where such access is
4 identical to the type of access Sprint's own
5 directory assistance operators utilize in order to
6 provide directory assistance services to Sprint end
7 users; and/or
- 8 2. allow MFS or a MFS designated operator bureau to
9 license Sprint's directory assistance database for
10 use in providing competitive directory assistance
11 services.

12
13 Sprint will make MFS's data available to anyone calling
14 Sprint's DA.

15
16 Sprint will store proprietary customer information
17 provided by MFS in their Directory Assistance database;
18 such information should be able to be identified by
19 source provider in order to provide the necessary
20 protection of MFS or MFS customers proprietary or
21 protected information. Alternatively, Sprint will allow
22 wholesale resale of DA service. Sprint will limit its
23 use of MFS's data to directory assistance unless,
24 pursuant to written agreement, MFS grants greater
25 flexibility in the use of the data subject to proper

1 compensation.

2

3 Sprint shall include MFS listings in its directory
4 assistance database; however, MFS must provide its
5 listings to Sprint via data and processed directory
6 assistance feeds in accordance with agreed upon industry
7 format.

8

9 MFS will be able to license Sprint unbundled directory
10 database and sub databases and utilize them in the
11 provision of its own DA service. To the extent that MFS
12 includes Sprint listings in its own directory assistance
13 database, MFS shall make Sprint's data available to
14 anyone calling MFS's DA.

15

16 Sprint will make available to MFS all service
17 enhancements on a non-discriminatory basis.

18

19 When technically feasible and requested by MFS, Sprint
20 will route MFS customer DA calls to MFS DA centers.

21

22 Q. What are the appropriate procedures for establishing DA
23 service for MFS?

24

25 A. Sprint will update and maintain the DA database with MFS

1 data, utilizing the same procedures it uses when its own
2 customers, connect, disconnect, and change such as change
3 to/from or non-published or non-listed.

4
5 Each company shall bill its own end-users.

6
7 MFS will be billed by Sprint in standard carrier access
8 billing format.

9
10 Sprint and MFS will develop intercompany procedures to
11 correct errors when they are identified in the database.

12
13 Q. What compensation methods are appropriate for the
14 provision of Directory Assistance services?

15
16 A. When MFS is rebranding Sprint's local service, Sprint's
17 directory assistance that is provided without a separate
18 charge to end users, e.g., an allowance, will be provided
19 to MFS' end users as part of the basic wholesale local
20 service subject to the "unbranded" directory assistance
21 service provisions noted above. Where DA is separately
22 charged as a retail service by Sprint, MFS shall pay for
23 DA service at the wholesale rate.

24
25 Should MFS choose to provide its own directory assistance

1 service, either internally or through a third party
2 contractor, the cost of Sprint's directory assistance
3 service that is avoided shall be deducted from the
4 wholesale local service price that MFS pays Sprint for
5 local service which MFS rebrands.

6
7 Sprint shall place MFS end users listings in its
8 directory assistance database for no charge.

9
10 Sprint shall make its unbundled directory assistance
11 database available to MFS. Prices should be negotiated,
12 reasonable, and non-discriminatory with the expectation
13 that the price to MFS will be the same as prices as
14 applicable to ILEC-to-ILEC transactions.

15
16 Any additional trunking necessary to provide an unbranded
17 resold directory assistance service or routing to MFS's
18 own directory assistance service location shall be
19 provided and/or paid for by MFS.

20

21 Repair Calls

22 Q. Do you agree with the procedures for handling misdirected
23 repair calls set forth at page 55 of Mr. Devine's
24 prefiled direct testimony?

25

1 A. Pursuant to Sprint's Model Agreement, Exhibit No. WEC-2,
2 Section XVII.C., Sprint proposes the following
3 procedures:

4 1. MFS and Sprint will educate their respective
5 customers as to the correct telephone numbers to
6 call in order to access their respective repair
7 bureaus.

8 2. To the extent that Sprint can determine the
9 caller's local service provider, Sprint will refer
10 the caller and provide the correct repair contact
11 telephone number to the caller in a courteous
12 manner, at no charge. In responding to repair
13 calls, Sprint proposes that neither company shall
14 make disparaging remarks about each other, nor
15 shall they use these repair calls as the basis for
16 internal referrals, to solicit customers or to
17 market other services. Sprint will respond with
18 accurate information in answering customer
19 questions.

20

21 Telephone Number Portability

22 Q. At page 56 of his prefiled direct testimony, Mr. Devine
23 states that MFS is requesting an interim number
24 portability arrangement different from that ordered by
25 the Florida Public Service Commission. What is Sprint's

1 proposal for providing interim number portability?

2

3 **A.** As is stated in Sprint's Model Agreement, Exhibit No.
4 WEC-2, Section XII, the Parties shall provide interim
5 number portability arrangements to permit end-user
6 customers to change providers without changing their
7 current phone numbers, provided that such end user
8 remains located within the same ILEC serving end office
9 area.

10

11 Sprint will provide necessary data to MFS to allow MFS to
12 recover some terminating access charges, recognizing that
13 both are involved in joint provision of access to IXCs,
14 associated with terminating traffic to ported numbers
15 assigned to their subscribers.

16

17 Sprint is entitled to reasonable compensation for this
18 service, provided such compensation is based on the
19 incremental cost of providing the service(s) and
20 recognizes that interim number portability provides an
21 inferior method of providing number portability.

22

23 **Q.** What is Sprint's position regarding the price for interim
24 number portability, which is addressed at p. 56 of Mr.
25 Devine's prefiled direct testimony and Ex. 15.0 to the

1 MFS interconnect agreement proposal?

2

3 A. Sprint believes that the appropriate price for interim
4 number portability is the TSLRIC plus contribution less
5 55% of the result to reflect that remote call forwarding
6 is an inferior serving arrangement (compared to permanent
7 telephone number portability). Based on the exhibit to
8 Mr. Farrar's testimony (Exhibit No. RGF-2), the price for
9 residential RCF, including six call paths, is \$0.53 and
10 for business RCF, also including six call paths, is
11 \$1.00. The price for each additional path, residential
12 and business, is \$0.36.

13

14 Most Favored Nations Clause

15 Q. At page 57, beginning at line 1, Mr. Devine claims that
16 MFS should be allowed to take advantage of
17 interconnection and unbundling arrangements Sprint
18 subsequently makes with other ALECs. Would Sprint
19 support a "Most Favored Nations" clause in an
20 interconnection agreement?

21

22 A. Yes, we can accept a "Most Favored Nations" clause.
23 Please see the Sprint Model Agreement, Exhibit No. WEC-2,
24 Section X.

25

1 Q. Does this conclude your testimony?

2

3 A. Yes.

4

5

6

7

8

9

10

11

12

13

14

15

16

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21

22

23

24

25



MFS Communications Company, Inc.
 999 Oakmont Plaza Drive, Suite 400
 Westmont, Illinois 60529
 TEL (708) 203-2500
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Sprint United/Centel
 Docket No. 960838-TP
 William E. Cheek
 Exhibit No. WEC-1
 Page 1 of 25

cc: - John Clayton
 - Mike Hunsucker
 - Bill Borley
 - Emily Binder
 - Marc Meade
 - Greg Garretts

Mr. Jack Burge
 c/o Sprint-Centel-United
 2330 Shawnee Mission Parkway
 Westwood, Kansas 68225

May 23, 1996

Dear Jack,

Enclosed, as promised, is a version of your 14 points outline where I have added MFS' initial responses to Sprint's positions. In most cases we are in agreement already, so we seem to have a strong basis for negotiations.

As representative of MFS, I must caveat that some of my subject matter experts have not reviewed these 14 points so some adjustment could possibly occur. However, that's what negotiations are all about and as we craft an agreement, other differences or interpretations are likely to crop up.

I would envision our call on Tuesday at 1:00PM (1-708-203-2500 Bridge # 7060) will be the time to review these points and ascertain those points on which we have agreement and can move forward with language for an encompassing agreement. We will also itemize those areas of concern where we are not in initial agreement and try to explore each others' rational and goals to find common ground.

I have left messages for Tim Devine with regard to getting a copy of the latest co-carrier document that you and he had discussed and what conceptual agreements, if any, had been reached between Sprint and MFS. As I recall, some of the basic contract language including definitions, recitals, and perhaps some of the architecture and interconnection language had been hashed out already which might be useful as a basis for this agreement.

Please feel free to contact either myself or Loy Meade prior to the call on Tuesday. I have not planned a formal agenda other than this document so if there are other issues, please fax them to me at 1-708-203-2525 and I will distribute them accordingly.

Sincerely,

Tamra Burgwardt
 Sr. Manager - Local Services Implementation

CC: Loy Meade - MFS
 Jackie Yofon - Sprint-Centel
 Kevin Dundon - MFS
 Ruth Durbin - MFS

ESSENTIAL ELEMENTS FOR THE COMPETITIVE CHECKLIST

The Telecommunications Act of 1996 (Act) requires state and Federal Communications Commission (FCC) review of Bell Operating Company (BOC) compliance with a comprehensive checklist before BOCs are allowed to provide in-region interLATA long distance. Whether the Act results in actual local telephone competition will depend in large measure upon whether this checklist is followed and enforced. If the BOCs forthrightly comply with all of the requirements to open local telephone markets to competition, the promise of competition will be realized. This paper describes what Sprint believes are essential policies for implementing the 14 checklist items contained in Section 271(c)(2)(B):

1. Interconnection in accordance with the requirements of sections 251(c)(2) and 252(d)(1).
2. Nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1).
3. Nondiscriminatory access to the poles, ducts, conduits, and right-of-way owned or controlled by the Bell operating company at just and reasonable rates in accordance with the requirements of section 224.
4. Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.
5. Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.
6. Local switching unbundled from transport, local loop transmission, or other services.
7. Nondiscriminatory access to: (I) 911 and E911 service; (II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services.
8. White pages directory listings for customers of the carrier's telephone exchange service.
9. Until the date by which telecommunications numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.
10. Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.
11. Until the date by which the Commission issues regulations pursuant to section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full compliance with such regulations.
12. Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3).
13. Reciprocal compensation arrangements in accordance with the requirements of section 252(b)(3).
14. Telecommunications services are available for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3).

INTERCONNECTION

Checklist Item 1. "Interconnection in accordance with the requirements of sections 251(c) and 252(d)(1)."

The Act Requires that all incumbent local exchange carriers (LECs) must allow interconnection to their networks: (1) for exchange service and exchange access; (2) at any technically feasible point; (3) that is at least equal in quality to what the local exchange carrier gives itself, its affiliates, or anyone else; and (4) on rates terms and conditions that are just, reasonable, and nondiscriminatory. (251(c)(2)) Any interconnection, service, or network element provided under an approved agreement shall be made available to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement. (252(f)) Prices for interconnection shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d)(1))

Sprint's Recommendations

- ⇒ Interconnection at switching points is technically feasible
It should be presumed that interconnection at switching points is technically feasible. MFS generally agrees, however, MFS prefers a mid-span fiber meet between switching points as the optimum architecture.
- ⇒ Interconnection requests should be clearly defined
For interconnection requests at any other points, requesting telecommunications carriers should have the obligations to define where they want to interconnect with sufficient details to permit negotiations.
MFS agrees
- ⇒ Incumbent LECs must prove a requested interconnection is not technically feasible
Incumbent local exchange carriers have the burden of proof if they believe that a requested interconnection is not technically feasible.
MFS agrees
- ⇒ Once provided, an interconnection should be presumed to be technically feasible
Once an interconnection is made available by an incumbent local exchange carrier, it should be presumed that it is technically feasible for other incumbent local exchange carriers, using like technology, to also provide the interconnection.
MFS agrees
- ⇒ There should be no discrimination in the interconnections allowed.
 - An incumbent local exchange carrier should allow requesting telecommunications carriers that same technical interconnection that it uses for itself or its affiliates, or allows anyone else. If this is not technically feasible, the incumbent local exchange carrier should instead provide interconnections that are at least equal in quality from the perspectives of the customer and requesting carrier.
MFS agrees

- Incumbent local exchange carriers should not refuse to provide an interconnection arrangement simply because they believe that it is not economically feasible. Parties should negotiate how costs of providing an interconnection will be recovered, including the option of subsequent price decreases if additional telecommunications carriers later contribute to cost recovery by purchasing the same interconnection arrangements.
MFS agrees

⇒ Prices should be cost-based

- Prices for interconnection should be based on total service long run incremental cost (i.e., all the costs caused by the interconnection), including the cost of capital (i.e., profit), plus a reasonable contribution to joint and common costs. The level of contribution to joint and common costs should be a uniform loading that is reflective of an economically efficient local exchange carrier, but not to exceed 15% for common overhead costs. The profit level should be the most recent authorized intrastate rate of return or prescribed interstate rate of return.
MFS believes that pricing should be a mutually agreed number.

- Price structures should allow telecommunications carriers to interconnect in an efficient manner.
MFS agrees

- Incumbents should impute in the aggregate the same interconnection charges as are charged to their competitors, plus the costs of other services and functionalities actually used by the incumbent. It is recognized that services targeted for universal services may not pass an imputation test absent explicit universal service support.
MFS reserves its position on this issue pending more specific details and examples by Sprint.

- Full prices should not be charged for interconnections that are of a lesser quality than those the incumbent uses itself.
MFS agrees, but notes that these types of interconnections should not really exist.

⇒ Incumbent LECs must provide cost-based exchange access prices to satisfy the competitive checklist.

- The Act sets up a conflict between interconnection prices which must be cost-based, and exchange access prices (a form of interconnection) which are not cost-based. Current access prices are priced significantly above cost because of historic subsidies, the use of fully distributed cost, and the use of residual ratemaking to price basic local exchange services. The LECs and state commissions should revamp existing access pricing policies and implement an aggressive transition to cost-based access prices. Specifically, this policy should include rebalancing prices, moving carrier common line charges to the subscriber line charge and to a per-line charge, phasing down the residual interconnection charge, and adopting an explicit, competitively neutral universal service subsidy system based on the Benchmark Cost Model. Regulators should not consider this checklist item to be completed until access prices are cost-based.
MFS does not take a position on this argument since it is outside the scope of the co-carrier agreement under negotiations with Sprint.

- During the commission mandated transition to cost-based prices for exchange access, the lack of use restrictions on interconnection should not be used to avoid paying exchange access prices.
MFS supports shared exchange access payments through appropriate Meet Point Billing arrangements.

⇒ Incumbent LECs should provide electronic interfaces for interconnection.
Electronic bonding is critical for nondiscriminatory interconnection. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces to systems for provisioning, trouble reporting, ordering, facility assignment and control, and other functions necessary to ensure that other telecommunications carriers are unimpeded in their ability to provide their services. It is recognized that such integration is not without cost and time requirements, but the competitive checklist cannot be satisfied absent such integration. Read-only access is not sufficient for most systems.
MFS agrees

NETWORK ELEMENTS

Checklist Item 2. "Nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)."

The Act Requires that all incumbent local exchange carriers must provide, to any 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 rates, terms, and conditions that are just, reasonable, and nondiscriminatory. These unbundled network elements will be provided in a manner that allows carriers to combine the elements in order to provide the telecommunications service. (251(c)(3)) A network element is a facility or equipment used in the provision of a telecommunication service, including features, functions, and capabilities such as subscriber numbers, databases, signaling systems, and information sufficient for billing and collection, or used in transmission, routing, or provision of a telecommunications service. (3(a)45)) In determining which network elements that are proprietary is necessary and (B) whether failure to provide access to these network elements would impair the ability of a carrier to provide the services it wishes. 251(d)(2)) Prices shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d)(1)) As part of their competitive checklist, BOCs are required to unbundle loop transmission, trunk side local transport, and local switching. (27)(c)(2)(B)(iv)-(vi))

Sprint's Recommendations

- ⇒ Loop, switch, and transport unbundling is technically feasible
All incumbent local exchange carriers should provide unbundled local loop transmission, trunk side local transport, and local switching.
MFS agrees
- ⇒ Request for network elements should be clearly defined
Telecommunications carriers requesting other network elements should have the obligation to define the elements they want with sufficient detail to permit negotiations.
MFS agrees
- ⇒ Network elements are not the same as retail services for pricing purposes
A service offered at retail to customers who are not telecommunications carriers and available for resale (for example, a custom calling feature) should not be considered a networking element. Elements that have been unbundled, such as unbundled loop transmission, local transport, and local switching, are network elements and are not retail services. Wholesale prices for retail services should be developed in accordance with Section 252(d)(3)).
MFS agrees
- ⇒ Incumbent ILECs must prove a requested network element is not technically feasible
Incumbent local exchange carriers should have the burden of proof if they believe that a requested network element is not technically feasible.
MFS agrees and Act specifies that the state commission is the deciding party to submitted proof from ILEC.

⇒ There should be no discrimination in the provision of network elements

- If a requested network element is not technically feasible, incumbent local exchange carriers should be required to provide capabilities that, from the perspectives of the customer and requesting carrier, are reasonably comparable in quality and function to the requested network element.

MFS believes that provided network elements, per the act, should always be equal to or better than those provided by the ILEC to itself, affiliated parties or other CLECs. Reasonably comparable is not adequate in most cases.

- Incumbent local exchange carriers should not refuse to provide a network element simply because they believe that it is not economically feasible. Parties should negotiate how costs of providing a network element.

MFS agrees

⇒ Once provided, a network element should be presumed to be technically feasible.

Once a network element is made available by an incumbent local exchange carrier, it should be presumed that it is technically feasible for other incumbent local exchange carriers, using like technology, to also provide the network element.

MFS agrees

⇒ Prices for network elements should be cost based

- The price for a network element should be based on total service long run incremental cost, including the cost of capital, plus a reasonable contribution to joint and common costs. The level of contribution to joint and common costs should be a uniform loading that is reflective of an economically efficient local exchange carrier, but not to exceed 15% for common overhead costs. The profit level should be the most recent authorized intrastate rate of return or prescribed interstate rate of return.

MFS supports a market rate pricing plan rather than any rate of return computation.

- Prices for network elements may be geographically de-averaged; for example, according to high cost, medium cost, and low cost exchanges. In addition, prices for loop transmission may vary according to bands that reflect distance from central offices. In general, MFS agrees. However, negotiated rates or rate bands should not fluctuate within a central office or within an MSA.

- Price structure should allow telecommunications carriers to use these network elements in an efficient manner.

MFS agrees

- Incumbents should impute in the aggregate the same charges as are paid by their competitors, plus the costs of other services and functionalities actually used by the incumbent. It is recognized that services targeted for universal service may not pass an imputation test absent explicit universal service support.

MFS reserves its position on this issue pending more specific details and examples by Sprint.

- Full prices should not be charged for network elements that are of a lesser quality than those the incumbent uses itself.

MFS agrees

- There should be no restrictions on how network elements can be used. All telecommunications carriers should have the right to request and purchase network elements and to use the elements for providing any telecommunications service.

MFS agrees

⇒ Because network element prices are cost-based, incumbent LECs should not receive exchange access payments on unbundled network elements

The Act sets up a conflict between network element prices which must be cost-based, and exchange access prices which are not cost-based. The FCC and state commissions should revamp existing access pricing policies and implement an aggressive transition to cost-based access prices according to the policy described for interconnection. Regulators should not consider this checklist item to be completed until access prices are cost-based.

MFS agrees

⇒ Incumbent LECs should provide electronic interfaces for network elements.

Electronic bonding is critical for nondiscriminatory access to network elements. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces to systems for provisioning, trouble reporting, ordering, facility assignment and control, and other functions necessary to ensure that other telecommunications carriers are unimpeded in their ability to provide their services. It is recognized that such integration is not without cost and time requirements, but the competitive checklist cannot be satisfied absent such integration. Read-only access is not sufficient for most systems.

MFS agrees

POLES, DUCTS, AND RIGHTS-OF-WAY

Checklist Item 3. "Nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell operating company at just and reasonable rates in accordance with the requirements of section 224."

The Act Requires each local exchange carrier to afford nondiscriminatory access to the poles, ducts, conduits, and rights-of-way to competing providers of telecommunications services, but they may deny access for reasons of safety, reliability, and generally applicable engineering purposes. (251(b)(4), 224(f)) Within two years, the FCC must prescribe regulations for charges for pole attachments used by telecommunications carriers (not incumbent local exchange carriers) to provide telecommunications services, when the parties fail to agree. Charges must be just, reasonable, and nondiscriminatory. (224(a)(5), (e)(1)) Pole attachment charges shall include costs of usable space and other space. (224(d)(1)-(3), (e)(2)) Duct and conduit charges shall be no greater than the average cost of duct or conduit space. (224(d)(1)) A utility must impute and charge affiliates its pole attachment rates. (224(g))

Sprint's Recommendations

LECs should provide competitors access to poles, ducts, conduits, and rights-of-way.
Access to poles, ducts, conduits, and rights-of-way should be provided unless the local exchange carrier demonstrates that generally accepted standards for safety, reliability, or engineering make access unfeasible. If capacity is not available and the local exchange carrier has no plans to add capacity, but the local exchange carrier chooses to construct capacity at the request of a competitor, then special construction charges should apply. MFS agrees with the stipulation that construction costs plus cost of capital and reasonable profit be recouped by the CLEC paying for the expansion as capacity is absorbed.

Access should be nondiscriminatory local exchange carrier should provide competitors access to poles, ducts, conduits, and rights-of-way on the same terms and conditions that it affords itself and/or its affiliates.

MFS agrees

⇒ Prices should be cost-based

Prices should be based on an appropriate measurement of the use of the facility or right-of-way and should include a reasonable amount of profit. The profit level should be the most recent intrastate authorized rate or prescribed interstate rate of return.

MFS supports a market rate pricing plan rather than any rate of return computation

⇒ Terms and Conditions should be set out in tariffs and contracts.

Tariffs should be filed for pole attachments. Contracts should be used for access to ducts, conduits, and rights-of-way. Contract terms, conditions, and prices should be available to other telecommunications carriers for the same facilities and rights-of-way.

MFS feels that all rights of way should be tariffed to ensure equal access at equal pricing for all carriers.

LOOP TRANSMISSION

Checklist Item 4, "Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services."

The Act Requires that BOCs unbundled loop transmission. (271(c)(2)(B)(iv)) This is to be provided at any technically feasible point and in a way that is nondiscriminatory, including rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Unbundled network elements will be provided in a manner that allows carriers to combine the elements in order to provide the telecommunications service. (251(c)(3)) In determining which network elements will be made available, the FCC shall consider, at a minimum, whether (A) access to network elements that are proprietary is necessary and (B) whether failure to provide access to these network elements would impair the ability of a carrier to provide the services it wishes. (251(d)(2)) Prices shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d))

Sprint's Recommendations

- ⇒ Loops provide transmission between a central office and the customer's location
Local loop transmission means non-switched transmission between a central office and the customer's location. The customer location may be the premise of another telecommunications carrier.
MFS agrees
- ⇒ Prices should be cost-based
Prices for local loop transmission should be cost-based. The pricing and cost standards are the same as those for network elements. Consistent with the policy for network elements, there should be no restrictions on how local loop transmission can be used.
MFS agrees
- ⇒ Incumbent LECs should provide electronic interfaces for network elements
Electronic bonding is critical for nondiscriminatory access to network elements such as local loop transmission. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces in accordance with the policy described for network elements. Read-only access is not sufficient for most systems.
MFS agrees

LOCAL TRANSPORT

Checklist Item 5. "Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services."

The Act Requires that BOCs unbundle trunk side local transport. (271(c)(2)(B)(v)) This is to be provided at any technically feasible point and in way that is nondiscriminatory, including rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Unbundled network elements will be provided in a manner that allows carriers to combine the elements in order to provide the telecommunications service. (251(c)(3)) In determining which network elements will be made available, the FCC shall consider, at a minimum, whether (A) access to network elements that are proprietary is necessary and (B) whether failure to provide access to these network elements would impair the ability of a carrier to provide the services it wishes. (251(d)(2)) Prices shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d))

Sprint's Recommendations


- 1.00*
Amended
- ⇒ Local transport provides transmission from the trunk side of a switch to telecommunications carrier's facilities
Trunk side local transport means transmission from the trunk side of a switch to a telecommunications carrier's facilities. Local transport does not include switching. Tandem switching should be unbundled from transmission.
MFS agrees and feels that a transiting charge for third party traffic should be established for local traffic.
 - ⇒ Prices should be cost-based
Prices for local transport should be cost-based. The pricing and cost standards are the same as those for network elements. Consistent with the policy for network elements, there should be no restrictions on how local transport can be used.
MFS agrees
 - ⇒ Incumbent LECs should provide electronic interfaces for network elements.
Electronic bonding is critical for nondiscriminatory access to network elements such as local transport. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces in accordance with the policy described for network elements. Read-only access is not sufficient for most systems.
MFS agrees

LOCAL SWITCHING

Checklist Item 6. "Local switching unbundled from transport, local loop transmission, or other services."

The Act Requires that BOCs unbundled local switching. (271(c)(2)(B)(vi)) This is to be provided at any technically feasible point and in a way that is nondiscriminatory, including rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Unbundled network elements will be provided in a manner that allows carriers to combine the elements in order to provide the telecommunications service. (251(c)(3)) In determining which network elements will be made available, the FCC shall consider, at a minimum, whether (A) access to network elements that are proprietary is necessary and (B) whether failure to provide access to these network elements would impair the ability of a carrier to provide the services it wishes. (251(d)(2)) Prices shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d))

Sprint's Recommendations

- 
- ⇒ Local switching routes exchange service and exchange access traffic.
Local switching means the end-office switching of exchange service and exchange access traffic.
MFS agrees but includes tandem switching for Sprint to MFS or MFS to Sprint traffic in this definition.
 - ⇒ Prices should be cost-based
Prices for local switching should be cost-based. The pricing and cost standards are the same as those for network elements. Consistent with the policy for network elements, there should be no restrictions on how local switching can be used.
MFS agrees
 - ⇒ Incumbent LECs should provide electronic interfaces for network elements
Electronic bonding is critical for nondiscriminatory access to network elements such as local switching. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces in accordance with the policy described for network elements. Read-only access is not sufficient for most systems.
MFS agrees

911, DA, AND OPERATORS

Checklist Item 7, "Nondiscriminatory access to: (I) 911 and E911 services; (II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services."

The Act Requires that access or interconnection provided or generally offered by a BOC to other telecommunications carriers must include nondiscriminatory access to (I) 911 and E911 service; (II) directory assistance service to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services. (271(c)(2)(B)(vii))

Sprint's Recommendations

- ⇒ All telecommunications carriers should have the same access as incumbent LECs.
- All telecommunications carriers should have access to incumbent local exchange carriers' 911, E911, directory assistance, and operator call completion capabilities on the same terms and conditions as enjoyed by the incumbent local exchange carriers.
MFS agrees
 - All telecommunications carriers should be allowed to have their telephone numbers included in directory assistance, local information database (LIDB), and other operator services at the same price, terms, and conditions as does the incumbent.
MFS agrees
- ⇒ Retail prices should include population of the databases and access to the services.
- When a telecommunications carrier buys a service for resale, the wholesale service should include populating the databases associated with the retail services with data on the reseller's customers.
MFS agrees
 - Retail local exchange service includes access to: (I) 911 and E911 service; (II) directory assistance service to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services. When a telecommunications carrier buys local exchange service for resale, the wholesale service should include access to these services.
MFS agrees
- ⇒ Access to those databases should be nondiscriminatory.
Access to these databases should be available on a nondiscriminatory basis at the same price, terms, and conditions as the incumbent local exchange carrier.
MFS agrees

WHITE PAGES

Checklist Item 8. "White pages directory listings for customers of the other carrier's telephone exchange service."

The Act Requires that access or interconnection provided or generally offered by a BOC to other telecommunications carriers include white pages directory listings for customers of the other carrier's telephone exchange service. (271(c)(B)(vii))

Sprint's Recommendations

⇒ Incumbent LEC's directories should include other carriers'

- All telecommunications carriers should be allowed to have their customers' telephone numbers included in the incumbent local exchange carriers' telephone directories. These listings should be equal in price, functionally, and quality to the incumbent's listings. **MFS agrees but requires a revenue neutral arrangement between White and Yellow Pages listing inclusion.**

- Incumbent local exchange carriers' white page listings should include all other carriers' customers (except those customers that desire not to be so listed) residing in the incumbent's serving area. These listings should be identical to, and fully integrated and interfiled with, the white page listings provided to the incumbent's customers. **MFS agrees**

⇒ Listings should be nondiscriminatory.

- The same listing formats, terms and conditions, and prices related to the listing that the incumbent uses should be available to all carriers. **MFS agrees**

- Listings should not contain any notation, symbol or other information which identifies that the customer is taking service from another carrier unless the carrier requests a special identification for its customers and this special identification is technically feasible. This enhancement should be available to all carriers at the same price, terms, and conditions.

MFS agrees but would like to preclude any special identifiers from any directory agreement.

- White pages informational sections should be made available to all carriers on a nondiscriminatory basis at the same price, terms, and conditions. **MFS agrees that the informational pages inclusion is a critical element in the ability to provide local service and that all CLECs should be given a certain amount of basic information space with the option of purchasing additional space at cost-based rates.**

*Done BCI's program
info including
address*

- ⇒ White pages distribution should be nondiscriminatory
The incumbent local exchange carrier should allow its channel of distribution to be used to deliver copies of the incumbent's white pages directories to other carriers' consumers that are located in the incumbents' local service area. This should be available at the same price, terms, and conditions as the incumbent uses for itself.
MFS agrees that directory delivery is an integral part of directory services and will allow the ILEC to deliver yellow pages advertising pages in conjunction with white pages directories at no charge to its listed customers.
- ⇒ Access to yellow pages should be nondiscriminatory
Other carriers' customers should have access to incumbent local exchange carriers' yellow pages directory at the same terms and conditions as are available to the incumbent's other customers.
MFS agrees
- ⇒ Carriers should be allowed to license
Incumbent local exchange carriers and other carriers should be allowed to license all listing information contained within directories service. Carriers should be compensated for such use based on a reasonable and nondiscriminatory amount.
MFS agrees
- ⇒ Carriers should be held harmless for errors and omission
Liability limitation relating to directory errors and omission should be offered through a satisfactory hold harmless agreement from all carriers.
MFS agrees
- ⇒ White pages should be included in the wholesale service.
Retail local exchange service includes directory services. When a telecommunications carrier buys a service for resale, the wholesale service should include these directory services.
MFS agrees

ACCESS TO NUMBERS

Checklist Item 9. "Until the date by which telecommunications numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carriers' telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

The Act Requires the FCC to create or designate one or more impartial entities to administer telecommunications numbering and to make numbers available on an equitable basis. The FCC has exclusive jurisdiction over the U.S. portion of the North American Number Plan, but may delegate any or all jurisdiction to State commissions or other entities. (251(e)(1)) BOCs are required to provide nondiscriminatory access to telephone numbers for assignment by other carriers until telecommunications numbering administration guidelines, plans, or rules are established. BOCs must comply with them. (271(c)(2)(B)(ix))

Sprint's Recommendations

- ⇒ Access to telephone numbers should be nondiscriminatory.
 - All carriers should have equal and non-discriminatory access to sufficient blocks of telephone numbers to offer service.
MFS agrees
 - Numbering policy must be broadly developed and administered in a competitively neutral manner. The incumbent local exchange carrier must not be able to control the administration and assignment of numbering resources. NPA assignments must be handled in a neutral and non-discriminatory manner.
MFS agrees
- ⇒ The North American Numbering Council (NANC) should select the number administrator.
The FCC has already established the NANC and given it the responsibility of selecting a neutral third party to administer number assignment. Sprint supports these efforts and has offered a representative to the NANC.
MFS conceptually agrees to having a third party as a numbering administrator.
- ⇒ Spare numbers should be pooled when technically and administratively feasible.
- ⇒ Although pooling of spare numbers is an efficient means to help conserve the numbering resource, until it is technically and administratively feasible to have multiple central offices serve the same NXX (i.e., location, portability), pooling of spare numbers would only be an administrative burden. When location portability is feasible, then Sprint would support pooling of numbers.
MFS agrees but recognizes that this is outside of the scope of this agreement between Sprint and MFS.
- ⇒ Service order procedures should be nondiscriminatory
Each incumbent local exchange company should immediately establish a neutral point of contact for other telecommunications carriers to obtain telephone numbers. The contact would obtain a telephone number and return it to the other telecommunications carrier on the firm order confirmation. Numbers could be provisioned immediately, or assigned as a block

of numbers similar to cellular carriers.

MFS agrees but recognizes that this is outside of the scope of t. is agreement between Sprint and MFS.

- Numbers administrators, including incumbent local exchange carriers, should develop means for electronic access to telephone number assignments so that number assignments are not tied to number administrators' hours of operations. Industry forums should establish the procedures.

MFS agrees but recognizes that this is outside of the scope of this agreement between Sprint and MFS.

DATABASES AND SIGNALING

Checklist Item 10. "Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

The Act Requires that access or interconnection provided or generally offered by a BOC to other telecommunication carriers shall include nondiscriminatory access to databases and associated signaling necessary for call routing and completion. (271(c)(2)(B)(x)) In determining which of these network elements will be made available, the FCC shall consider, at a minimum, whether (A) access to network elements that are proprietary is necessary and (B) whether failure to provide access to these network elements would impair the ability of a carrier to provide the services it wishes. (251(d)(2)) Prices of network elements shall be based on cost (without reference to any rate-based proceeding) and be nondiscriminatory, and may include a reasonable profit. (252(d)(1))

Sprint's Recommendations

- ⇒ Competitors should be allowed nondiscriminatory access to databases.
Telecommunications carriers should be allowed to have access to directory assistance, LIBD, Advanced Intelligent Network (AIN), 800, and other databases and have access to such resources equal in price, functionally, and quality as do incumbent local exchange carriers.
MFS agrees
- ⇒ Interconnection should be seamless
Incumbent local exchange carriers should provide other telecommunication carriers with interconnections that give these carriers seamless integration into and use of the incumbents' signaling and interoffice networks. This seamless integration should be equivalent to that of the incumbents. For example, the other telecommunications carriers should have real time electronic access to databases.
MFS agrees
- ⇒ Prices should be cost-based
Prices for databases and signaling should be cost-based. The pricing and cost standards are the same as those for network elements.
MFS agrees

LOCAL NUMBER PORTABILITY

Checklist Item 11. "Until the date by which the Commission issues regulations pursuant to section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full compliance with such regulations."

The Act Requires all local exchange carriers to provide number portability, to the extent feasible, and in accordance with the FCC's requirements. (251(b)(2) Number portability allows customers to retain, at the same location, their existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another. (3(a)(46)) Until the date that the FCC establishes for number portability, BOCs are required to provide interim number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. BOCs must fully comply with all FCC number portability regulations. (271(c)(2)(B)(xi))

Sprint's Recommendations

- ⇒ The definition of number portability should evolve as technology and markets dictate.
The definition of number portability should include service provider only at this time. Location routing number architecture should be used for true number portability. Other portability, including location and service, should be phased-in as technology and markets dictate.
MFS agrees to RCF, DID, and LERG reassignment, or other technologies now available and is committed to long term portability as soon as available. Defining the acceptable method of long term number portability is, we believe, beyond the scope of this agreement.
- ⇒ Remote Call Forwarding (RCF) should be the method of interim number portability.
RCF should be the method used for interim number portability. However, other methods, such as direct inward dialing and Local Exchange Routing Guide (LERG) reassignment, may be appropriate in limited circumstances.
MFS agrees
- ⇒ Interim number portability does not promote competition
 - * Significant disadvantages are imposed on competitors by interim number portability. Thus, the FCC should act aggressively in this area. The FCC should order true local number portability to be implemented by December 31, 1997, in the top 100 metropolitan statistical areas (MSAs). True local number portability should be implemented in the next 135 MSAs by December 31, 1999. The remaining areas should implement true local number portability upon a bona fide request after December 31, 1999. The FCC should initiate a proceeding to determine cost recovery issues with local number portability.
MFS agrees and is committed to long term portability as soon as available. Defining a universal date for implementation of LNP is, we believe, beyond the

scope of this agreement, but we do favor a date for the ending of RCF or other INP charges as an incentive for rapid deployment of LNP between any ILEC and CLEC or CLEC to CLEC.

- Interim number portability pricing should provide an economic incentive to incumbent local exchange carriers to develop and implement true number portability. Interim number portability should be priced as a network element, but with a discount because of the lack of parity. This discount should be the same 55% discount provided for inferior exchange access during the transition to equal access.

MPS agrees

LOCAL DIALING PARITY

Checklist Item 12. "Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3)."

The Act Requires that access or interconnection provided or generally offered by a BOC to other telecommunications carriers shall include nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with 251 (b) (3). (271(c)(2)(B)(xii)) All local exchange carriers have the duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays. (251(b)(3))

Sprint's Recommendations

- ⇒ Interconnections should allow seamless calling.
Competing networks should be interconnected so that customers can seamlessly receive calls that originate on another carrier's network and place calls that terminate on another carrier's network without dialing extra digits, paying extra, or doing anything out of the ordinary.
MFS agrees
- ⇒ Call routing capabilities should be nondiscriminatory.
- Competitors to incumbent local exchange carriers should have over the routing of all N11 numbers (except for 911) for their customers. These N11 numbers include 411, 611, and 811.
MFS agrees
 - These competitors should also have control over the routing of all 0-, 0+ local, and directory assistance numbers (e.g., 1-555-1212).
MFS agrees

RECIPROCAL COMPENSATION

Checklist Item 13. "Reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2)."

The Act Requires that all local exchange carriers must establish reciprocal compensation arrangements for transport and termination of telecommunications traffic. (251(b)(5)) The terms and conditions shall allow each carrier to cover its additional costs of terminating the traffic, including offsetting of reciprocal obligations such as bill-and-keep. Commissions may not engage in any rate proceedings nor require record keeping to determine the additional costs of the calls. (252)(d)(2))

Sprint's Recommendations

⇒ Permanent solutions should be flat-rated, capacity-based, charges that are cost-based

- Prices for reciprocal compensation should be flat-rated, capacity-based port charges. If the interconnecting carriers agree, these prices may be combined with interconnection into a single, flat-rated charge.

MFS prefers a single reciprocal compensation rate negotiated between LECs or a bill and keep arrangement with a reciprocal compensation amount applied to all minutes if the monthly traffic between LECs is out of balance by 5% or more.

- Incumbent local exchange carriers' prices for the interconnection portion should be based on the interconnection price and cost standards.

MFS agrees

- Incumbent local exchange carriers' prices for call termination should be based on total service long run incremental cost. The profit level should be the most recent authorized intrastate rate of return or prescribed interstate rate of return.

MFS prefers a single reciprocal compensation rate negotiated between LECs or a bill and keep arrangement with a reciprocal compensation amount applied to all minutes if the monthly traffic between LECs is out of balance by 5% or more.

- A non-incumbent local exchange carriers' prices for interconnection and reciprocal compensation charges should be presumed to be cost-based and should not be regulated unless this carrier develops market power. If the prices are to be regulated, non-incumbent local exchange carriers should have the option of adopting the incumbent's prices.

MFS agrees to concept of non-regulated CLEC rates, but questions the concept of determining when a CLEC develops "market power".

⇒ Bill-and-keep is an interim solution, but may be voluntarily extended

- Bill-and-keep arrangements are not a permanent solution for reciprocal compensation, but should be used for an interim period not to exceed two years from the date of each telecommunications carrier's interconnection to the incumbent local exchange carrier's local calling area. Bill-and-keep should apply only to end office usage.

MFS prefers a single reciprocal compensation rate negotiated between LECs or a

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bill and keep arrangement with a reciprocal compensation amount applied to all minutes if the monthly traffic between LECs is out of balance by 5% or more.

- Local exchange carriers may mutually agree to bill-and-keep arrangements beyond the two-year interim period.
MFS prefers a single reciprocal compensation rate negotiated between LECs or a bill and keep arrangement with a reciprocal compensation amount applied to all minutes if the monthly traffic between LECs is out of balance by 5% or more.

⇒ Reciprocal compensation rules should not apply to long distance

Local exchange carriers should not use reciprocal compensation arrangements for the exchange of toll traffic. For example, local exchange carriers could segregate local and toll traffic to allow for separate billing, or apply factors that estimate the percent of exchanged traffic that should be billed as exchange access.

MFS agrees

⇒ Interconnection and reciprocal compensation should not be used to fund universal service

Interconnection and reciprocal compensation should not be used to collect funds for universal service.

MFS agrees

RESALE

Checklist Item 14. "Telecommunications services are available for resale in accordance with the requirements of sections 251(e)(4) and 252(d)(3)."

The Act Requires that all local exchange carriers must not prohibit and not impose unreasonable or discriminatory restrictions on resale. (251(b)(1)) Incumbent local exchange carriers must offer wholesale rates for any telecommunications services that is provided at retail to customers who are not telecommunication carriers. (251(c)(4)(A)) Wholesale prices shall be based on retail prices less the marketing, billing, collection, and other costs that will be avoided by selling the service at wholesale. (252(d)(3)) State commissions may, to the extent permitted by the FCC, prohibit a reseller from buying a service available only to one category of customers and reselling it to different category of customers. (251(c)(4)(B))

Sprint's Recommendations

- ⇒ **The only restriction should be that residential services cannot be resold to business.**
All local exchange services should be available for resale without restriction, except that residential local exchange services may not be resold to business customers.
MFS agrees
- ⇒ **Unbundled network elements are not the same as retail services.**
Services that are today offered at retail (for example, local private lines which may be considered functionally equivalent to local loops), are not network elements for purposes of the Act. Such services may not simply be offered at wholesale prices to meet the requirement for unbundled network elements. The pricing of network elements must be cost-based without regard to retail prices for such functionally equivalent services.
MFS agrees
- ⇒ **Avoided costs should be calculated by cost category and should recognize costs that will be incurred to provide wholesale services**
- Avoided costs should be calculated for each category of costs that will be avoided in the provision of services at wholesale instead of retail prices. Avoided costs should recognize costs that will be incurred to implement and offer wholesale services. Avoided costs should be determined on a dollar-per-unit basis and expressed as a reduction to retail prices, rather than as a percent of retail prices.
MFS agrees, but believes that the discount from retail prices can be calculated as a percentage for administrative ease by product category to achieve the same effect as a dollar-per-unit basis. Additionally, MFS is opposed to variable pricing based on quantity of units sold or volume commitments.
 - Avoided costs should not be defined so broadly as to create an artificial market for resale and to thereby deter the construction of alternative networks. Sustained price competition and deployment of advanced services or features are likely to be realized only with facilities-based competition.
MFS agrees

- Incumbent local exchange carriers should not recover a greater share of joint and common costs from wholesale services (including interconnection and network elements purchased for use with wholesale services) than they recover from comparable retail services.

MFS agrees

⇒ Prices need to be rebalanced

Incumbent local exchange carriers' local service prices are based on public policy objectives of universal service. The introduction of local competition means, among other things, that these prices need to be rebalanced and based on costs. Wholesale prices are not economically sound if retail prices are not based on costs. To the extent that there are avoided costs (and there may be only a few), they should be reflected in wholesale prices. However, resale rates must not be determined by an arbitrary discount, because that could distort the proper economic incentives for competitors to construct alternate local networks. **MFS believes that this is a philosophical issue outside the bounds of any Sprint-MFS Interconnection/Co-Carrier agreement.**

⇒ Incumbent LECs should provide electronic interfaces for use with resold telecommunications services.

Electronic bonding is critical for nondiscriminatory resale of telecommunications services. Regulators should require incumbent local exchange carriers to provide other telecommunications carriers with electronic interfaces in accordance with the policy described for network elements. Read-only access is not sufficient for most systems.

MFS agrees

⇒ Incumbent LECs should continue to receive other service revenues such as exchange access.

The resale of a retail service does not preclude the incumbent local exchange carrier from providing other services over the facilities. For example, if another carrier resells local exchange service, the facilities provider would still receive payment for exchange access services.

MFS agrees with the first sentence in this point, but firmly maintains that exchange access must be passed through to the carrier and not retained by the ILEC or wholesale provider.

⇒ Exchange access services should not be offered at special wholesale prices.

- Exchange access is not a retail service, and so should not be required to have special wholesale prices per Section 252(d)(3).

MFS agrees

- Because exchange access is designed to be provided to other telecommunications carriers, not to retail customers, there are no avoided costs that would form the basis for special wholesale prices.

MFS agrees



DRAFT

INTERCONNECTION AND
RESALE AGREEMENT

AUGUST 9, 1996

MASTER NETWORK INTERCONNECTION AND RESALE AGREEMENT

This Agreement is between _____ (Carrier) and _____ ("Company") hereinafter collectively, "the Parties", entered into this _____ day of _____, 1996.

WHEREAS, Carrier desires to provide competitive local exchange service to residential and business end users, and the Parties wish to establish terms for interconnection for purposes of exchanging local, intraLATA interexchange and interLATA interexchange traffic in accordance with the Telecommunications Act of 1996 ("Act");

THEREFORE, the Parties hereby agree as follows:

I. DEFINITIONS

Definitions of the terms used in this Agreement shall have the meanings set forth below.

1. **Access Service Request ("ASR")** - means an industry standard form used by the Parties to add, establish, change or disconnect trunks for the purposes of Interconnection.
2. **Act** - means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.
3. **Affiliate** - means any 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%). "Person" shall mean any individual, partnership, corporation, company, limited liability company association, or any other legal entity authorized to transact business in any State.
4. **Bell Communications Research ("Bellcore")** - means an organization owned jointly by the Bell regional holding companies or that may in the future be owned partially or totally by other persons, that conducts research in development projects for its owners, including development of new telecommunications services. Bellcore also provides certain centralized technical and management services for the regional holding companies and also provides generic requirements for the telecommunications industry for products, services technologies.
5. **Bill and Keep** - means a form of compensation for the termination of local traffic whereby LECs and CLECs terminate local exchange traffic originating from end users served by the networks of other LECs or CLECs without explicit charging among or between said carriers for such traffic exchange.

6. **Central Office Switch, ("Central Office") ("CO")** - means a switching facility within the public switched telecommunications network, including but not limited to:
 - End Office Switches which are switches from which end user Telephone Exchange Services are directly connected and offered.
 - Tandem Switches are switches which are used to connect and switch trunk circuits between and among Central Office Switches.
7. **Centralized Message Distribution System ("CMDS")** - means the billing record and clearing house transport system that the Regional Bell Operating Companies (RBOCs) and other incumbent LECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System ("CABS") records.
8. **Commercial Mobile Radio Services ("CMRS")** - means a radio communication service carried on between mobile stations or receivers and land stations, and by mobile stations communicating among themselves that is provided for profit and that makes interconnected service available to the public or to such classes of eligible users as to be effectively available to a substantial portion of the public as set forth in 47 § 322(d)(1).
9. **Commission** - means any state administrative agency to which the United States Congress or any state legislative body has delegated any authority to supervise or regulate the operations of Local Exchange Carriers pursuant to the Act or state constitution or statute such as a Public Utilities Commission or Public Service Commission..
10. **Competitive Local Exchange Carrier ("CLEC")** - means any company authorized to provide local exchange services in competition with an ILEC.
11. **Control Office** - is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.
12. **Customer Proprietary Network Information ("CPNI")** shall have the meaning set forth in 47 USC §222 (b)(1) and FCC regulations.
13. **FCC** - means Federal Communications Commission.
14. **Incumbent Local Exchange Carrier ("ILEC")** - as of February 8, 1996, was deemed to be a member of the exchange carrier association as set forth in 47 CFR. §69.601(b) of the Commission's regulations.
15. **Integrated Services Digital Network ("ISDN")** - means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.

16. **Interconnection** - means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. for the transmission and routing of Exchange Service and Exchange Access. The architecture of interconnection may include colocation and/or mid-span meet arrangements.
17. **Interexchange Carrier ("IXC")** - means a telecommunications service provider offering interexchange telecommunications services (e.g., inter- and intraLATA toll).
18. **Meet-Point Billing** - means an arrangement whereby two local service providers (including a ILEC and a CLEC) jointly provide exchange access to an IXC for purposes of originating or terminating toll services and each such provider receives its share of the tariffed charges.
19. **Multiple Exchange Carrier Access Billing ("MECAB")** - means the document prepared by the Billing Committee under the auspices of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS") and by Bellcore as Special Report SR-BDS-000983, containing the recommended guidelines for the billing of Exchange Service access provided by two or more LECs and/or CLECs, or by one ILEC in two or more states within a single LA' A.
20. **Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface ("MECOD")** - means the document developed by the Ordering/Provisioning Committee under the auspices of the OBF, which functions under the auspices of the Carrier Liaison Committee of the ATIS and is published by Bellcore as Special Report SR STS-002643 to establish methods for processing orders for Exchange Service access which is to be provided by two or more ILECs and/or CLECs.
21. **Numbering Plan Area ("NPA")** - means an area code assigned pursuant to the North America Numbering Plan which is the three digit indicator defined by the "A", "B" and "C" digits of each 10-digit telephone number within the NANP containing 800 possible NXX Codes each. There are two general categories of NPA. "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" ("SAC Code") means specialized telecommunications service which may be provided across multiple geographic NPA areas such as 500, Toll Free Service NPAs, 900 and 700
22. **Physical Colocation** - means the placement of Carrier terminating and interconnection equipment (specifically excluding switching equipment) on Company premises for purposes of interconnecting with Company facilities and services but does not include the right to direct connect with third parties in Company facilities.

23. **Rebranding** - occurs when Carrier purchases a wholesale service from Company when the Carrier brand is substituted for the Company brand.
24. **Telecommunications Services** - shall have the meaning set forth in 47 USC §153(6).
25. **Total Service Long Run Incremental Cost ("TSLRIC")** means the incremental costs of an entire product (i.e., all the costs directly caused by providing an interconnection service, a (network element, or some combination of products). TSLRIC includes both service-specific fixed costs (i.e., costs that do not change with change in output) and volume sensitive costs (those that are caused by changing the volume of output). In more precise terms, TSLRIC is the difference between (1) the total costs of a company that provides the service and a number of other services, and (2) the total cost of that same company if it provided all of its services in the same quantities, but not the service in question.
26. **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 or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and cannot be used for the direct connection of ordinary telephone station sets.
27. **Undefined Terms.** The Parties acknowledge that terms may appear in this Agreement which are not defined and agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the effective date of this Agreement.
28. **Wholesale Service** - means any Telecommunication Services that Company provides at retail to subscribers who are not telecommunications carriers as set forth in 47 USC §251(c)(3).
29. **Wire Center** - means a building or space within a building which serves as an aggregation point on a network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more Central Offices, used for the provision of exchange services and access services, are located.
30. **Virtual Colocation** - means the placement of terminating and interconnection equipment on Company premises, where such equipment is dedicated to a carrier or a group of carriers, and such equipment is not otherwise used by Company, for purposes of interconnection with equipment providing Company Services. Virtual colocation does not include switching equipment or direct interconnection with third parties on Company premises through equipment used for virtual colocation.

II. SCOPE OF THIS AGREEMENT

The services and facilities to be provided to Carrier by Company in satisfaction of this Agreement may be provided pursuant to Company tariffs and then current practices. Should there be a conflict between the terms of this Agreement and any such tariffs or practices, the terms of this Agreement shall control to the extent allowed by law until such time as Company may so modify its tariffs and practices to be in conformance with the terms of this Agreement. Company and Carrier shall use their best efforts to obtain approval of this contract by any regulatory body having jurisdiction over this Agreement and to modify any tariffs that may be required.

III. RECIPROCAL TRAFFIC EXCHANGE

A. Scope

Reciprocal traffic exchange is the exchange of terminating or transit traffic between Carrier and Company for termination to end users.

This Agreement establishes the terms and conditions pursuant to which Carrier may interconnect its network facilities to those of the Company for termination of Carrier's traffic on Company's network and for termination of Company's traffic on Carrier's network.

B. Types of Traffic

The types of traffic to be exchanged under this Agreement include:

1. Local traffic. This is traffic that is originated by an end user of one Party and terminates to an end user of the other Party as defined in accordance with Company's then current local serving areas including any traffic for which there is no additional charge for termination.
2. IntraLATA toll traffic, as defined in accordance with Company's then current intraLATA toll serving areas.
3. Switched access traffic as specifically defined in Company's state and interstate switched access tariffs, and generally identified as that traffic that originates at one of the Party's end users and is delivered to an IXC point of presence, or comes from an IXC point of presence and terminates at one of the Party's end users, whether or not the traffic transits the other Party's network.
4. Transit traffic. This is any traffic (i.e., EAS/Local, intraLATA toll, and switched access) which originates from one provider's network, "transits" another provider's network substantially unchanged, and terminates to yet another provider's network.

5. Ancillary traffic. This includes all traffic destined for ancillary services, or that may have special billing requirements, including, but not limited to the following:
 - a. Directory Assistance;
 - b. 911/E911;
 - c. Operator call termination (busy line interrupt and verify);
 - d. LIDB; and
 - e. Information services requiring special billing. (e.g., 900 and 950)
6. To the extent network and contractual arrangements exist throughout the term of this Agreement, Company will provide intermediary tandem switching and transport services for Carrier's connection of its end user to a local end user of: (a) other CLECs; (b) another incumbent local exchange telecommunications carrier other than Company; and (c) IXCs.
7. Except for transit functions provided by Company, the network of Company CMRS affiliates or other CMRS providers is specifically excluded from this Agreement and will require a separate agreement.
8. Company agrees not to impose restrictions on traffic types delivered to/from the Point of Interconnection ("POIs") but reserves the right to require development and reporting of a jurisdictional usage factor indicating local/EAS intrastate toll (access/toll), and interstate access usage and CMRS, if applicable. Company reserves the right to measure and audit all traffic to ensure that proper rates are being applied. Carrier agrees to provide the necessary traffic data or permit Company recording equipment to be installed for sampling purposes in conjunction with such audit. The Parties agree to work cooperatively to establish procedures for measurement of traffic and audits within three months following execution of this Agreement.

C. Compensation.

1. Local Traffic.
 - a. Termination. For a period not to exceed 24 months following execution of this Agreement, compensation arrangements for the exchange of End Office to End Office Local Traffic shall be on a Bill-and-Keep basis. Each Party shall bill its own customers for such traffic category and retain all revenues therefrom. Within such 24 month period, Company shall develop specific charges associated with End Office termination functions based on Company's TSLRIC. To the extent Carrier utilizes unbundled elements to provide both local/EAS and access functions, Carrier shall be charged in accordance with this provision but will not be required to compensate Company for Exchange Access unless otherwise permitted by the FCC.
 - b. Transport. Charges for transport between Company tandems and/or end offices shall be based upon TSLRIC costs and shall be a separate chargeable element.

c. Tandem Charge. Tandem switching shall be a separately chargeable element based upon TSLRIC.

d. EAS. The Parties will negotiate compensation arrangements for EAS on a route-by-route basis.

2. IntraLATA toll traffic, switched access, and special access traffic, if separately chargeable, shall be charged the appropriate rate out of the terminating carrier's tariff.
3. Transit traffic shall be compensated based on charges associated with the functionality provided, e.g., tandem switching and transport.
4. Unless otherwise stated in this Agreement, ancillary service traffic will be exchanged and billed in accordance with whether the traffic is Local/EAS, intraLATA toll, Switched Access, or CMRS, if applicable. All tandem traffic is subject to a separate charge for the tandem service.
5. Compensation for other forms of traffic not identified herein shall be subject to negotiation by the Parties.

IV. NETWORK INTERCONNECTION

- A. Carrier shall interconnect with Company's facilities as follows for the purpose of routing the foregoing types of traffic:
1. In each Company exchange area in which Carrier chooses to offer local exchange service, Carrier may interconnect its network facilities at any technically feasible point of interface within Company's network including: (a) at Company access tandem(s); (b) to end office(s) switches; or (c) other wire centers (collectively referred to as "POI"). The POIs are the point(s) of physical interconnection as identified in Appendix 1 attached hereto and incorporated herein by reference. As Carrier initiates exchange service operations in additional Company exchange areas, Carrier shall notify Company of such additional POIs in each new exchange area, and Appendix 1 will be amended and updated to reflect the additional POIs, as necessary.
 2. Interconnection to a Company end office(s) will provide Carrier access only to the NXX's served by that individual end office(s) to which Carrier interconnects.
 3. Interconnection to a Company local tandem(s) will provide Carrier local access to the Company end offices and NXX's which subtend that tandem(s), and to other companies which are connected to that tandem(s). Interconnection to a Company access tandem for transit purposes will provide Carrier interexchange access to Company, Interexchange carriers (IXCs), CLEC, ILECs, and CMRS providers which are connected to that tandem.

- Where a Tandem Switch also provides End Office Switch functions, interconnection to a Company access tandem serving that exchange will also provide Carrier access to Company's end offices with the same functionality described in 2 above.
4. Where Carrier requires ancillary services (e.g., Directory Assistance, Operator Assistance, 911/E911), additional or special trunking will be required for interconnection to such ancillary services.
 5. If requested by Carrier the Parties will agree to other technically feasible POI arrangements including, but not limited to, any of the following interconnection methods:
 - a. a physical colocation facility maintained by Carrier, or by a third party with whom Carrier has contracted for such purposes, at a Company Wire Center, where such Wire Center has been designated as the POI; or
 - b. a physical colocation facility maintained by Company, or by a third party with whom Company has contracted for such purposes, at a Carrier Wire Center, where such Wire Center has been designated as the POI.
 6. In support of any claim that a requested interconnection at a POI is technically unfeasible, Company bears the burden of proof and in support of the same shall undertake and provide to Carrier:
 - a. a study and analysis to assess the technical feasibility of providing the requested interconnection; and
 - b. all other relevant information and documents that the Company relied upon in making its conclusion.
 7. Upon reasonable notice to Company, Carrier shall be provided access to the proposed POI to properly evaluate the Company's denial of Carrier's request to interconnect. Where Carrier leases colocation space and/or equipment from Company for purposes of interconnection under this Agreement, Carrier shall have the right to lease under non-discriminatory tariff or contract terms from Company equal to the most favorable terms, including rates (provided such rates are based on market price), that Company otherwise makes such facilities available (including to independent companies, its own affiliates, and/or most favored customers). Company agrees to provide floor space and such other space in its facilities reasonably necessary to accommodate Carrier's terminating, transmission, and concentrating equipment, subject to physical space limitations. Where available, Company agrees to provide new colocation arrangements no later than 120 days after Carrier's written request.
 8. Company shall interconnect with Carrier facilities under terms and conditions no less favorable than those identified in Section A, Paragraph 1, above, at the POIs designated in Appendix 1 as modified and updated from time to time.

9. With the exception of those provisions which apply only to ILECs under the Act, the provisions of this Section IV.A. shall apply to Company's interconnection to Carrier's network for the purpose of routing the types of traffic set forth in Section III.B.
- B. Where the Parties interconnect, for the purpose of exchanging traffic between networks, the following will apply:
1. The Parties agree to establish trunk groups from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including End Offices, tandems, 911 routing switches, and directory assistance/operator service switches. At Carrier's option, one-way or two-way trunking will be available.
 2. When traffic is not segregated according to traffic types, the reporting procedure, set forth in Section III, Paragraph B.8 shall apply.
 3. The Parties agree to offer and provide to each other B8ZS extended superframe format ("ESF") facilities, where available, capable of voice and data traffic transmission.
 4. Where available, Company will provide and implement all defined and industry supported SS7 mandatory parameters as well as procedures in accordance with ANSI standards. To the extent Company provides ANSI optional parameters for its own use, Company shall provide the same to Carrier.
 5. In the event SS7 facilities are not available from Company, Carrier may, at its option, obtain multi-frequency signaling.
 6. Where available, Company agrees to provide CIP (carrier identification code within Carrier's SS7 call set-up signaling protocol) at no charge.
 7. Company shall support intercompany 64kbps clear channel where it provides such capability to its end users.
 8. The Parties will cooperate in the exchange of TCAP messages to facilitate full interoperability of SS7 based features between their networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its own end users.

V. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. General Requirements.

Company will upon receipt of a bona fide request unbundle and separately price and offer the following eight network elements such that Carrier will be able to subscribe and interconnect

to whichever of these unbundled elements Carrier requires for the purpose of providing local telephone service to its end users, and to combine the Company-provided elements with any facilities and services that Carrier may itself provide, in order to efficiently provide Telecommunications Services to its end users, pursuant to the following terms:

1. loops, i.e., channels from the requesting carrier's or end-user's premises to the host office in the same exchange, or to the remote switch if there is no host switch in such exchange;
2. local switching, i.e., the ability to switch calls from one line to another, or from a line to a trunk;
3. data switching, data traffic aggregation, e.g. frame relay (where facilities are deployed by Company);
4. tandem switching, i.e., trunk-to-trunk connections;
5. transport, i.e., transmission of call, either on dedicated or common facilities, between incumbent local exchange carrier offices and a location designated by the requesting carrier;
6. access to databases (Line Information Database and Toll Free Calling) and signaling systems (at Signal Transfer Points);
7. billing data; and
8. electronic bonding, i.e., seamless mainframe-to-mainframe interfaces with operational support systems, including ordering and provisioning, trouble reporting and fault management, performance monitoring, network and traffic management, and facility assignment and control systems. Such electronic bonding shall be provided pursuant to industry standards within twelve months after such standards have been established.

Additionally, Company will, upon receipt of a bona fide written Order specifying a desired activation date, further unbundle the eight elements identified above into sub-elements as follows (for illustrative purposes only and not by way of limitation) in identified local exchange(s) where Carrier affirmatively commits to place an order for such requested sub-element(s). Upon submission of a written Order from Carrier, for sub-element unbundled network element, Company shall have 45 days from the receipt of the written Order to respond, in writing, whether it is technically feasible to provide such unbundled network element on the requested activation date and, if feasible, the price of such element. If Carrier fails to confirm its Order, then Carrier shall pay the actual costs incurred by Company in responding to the Order.

Company will upon receipt of the Order, unbundle and separately price and offer these elements such that Carrier will be able to lease whichever of these unbundled elements Carrier requires, and to combine the Company-provided elements with any facilities and services that

Carrier may itself provide, in order to efficiently offer telecommunications services to end users, pursuant to the following terms:

1. Interconnection when requested will be achieved at any technically feasible POI on Company's network, including via colocation arrangements.
2. Company shall ensure that unbundled elements, when combined together without the interspersion of Carrier facilities and in combination with features offered by Company at wholesale, are capable of providing full local service and other functionality available to end users through retail offerings, provided, however, that Carrier has ordered that appropriate unbundled elements and wholesale features for the provision of "full local service." Unless specifically ordered by the FCC, Carrier agrees not to use unbundled elements for stand-alone access charge replacement.
3. Loop, switching, or transport when interconnected with Carrier facilities (whether purchased individually or in combinations) shall be delivered to the Carrier colocation arrangement or mid-span meet through appropriate connectors 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 Carrier and Company.
4. To the extent Carrier adopts Company engineering standards and to the degree technically possible, all unbundled element based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which Company provides for the bundled service will apply to unbundled elements. Provided, however, to the extent discrepancies exist between installation time-frames between unbundled elements and bundled service, Company agrees to institute process improvements to eliminate such discrepancies.
5. Subject to other contractual agreements, Company need not monitor the unbundled loop for maintenance purposes, and accordingly, the compensation for the unbundled loop will not include any monitoring costs of Company. Carrier may be required to provision a loop testing device either in its central office, Network Control Center, or in its colocation arrangement to test the unbundled loop. Company will perform repair and maintenance once trouble is identified by Carrier.
6. To provide future order and trouble reporting Company shall work cooperatively with Carrier to accommodate Carrier's requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which Carrier may place, verify, and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements. *[Time frame to be negotiated.]*

B. Compensation

Unbundled Network Elements shall be provided at a rate to be computed based on TSLRIC of each such Arrangement, plus an amount not to exceed 15% of TSLRIC, which the

Parties agree represents recovery by Company of cost associated with joint and common facilities. Specific prices for such unbundled elements shall be set forth in Appendix 1.

VI. ACCESS TO POLES, DUCTS, CONDUITS, AND RIGHTS-OF-WAY

A. Access to Facility

1. The Parties agree to provide to the other nondiscriminatory access to any pole, duct, conduit, or right of way owned or controlled by Company or Carrier, where available. Such access will be provided subject to any terms and conditions which Company or Carrier is bound by including but not limited to local, state or national safety and/or construction standards
2. Any Company or Carrier authorization required to attach to poles, overloading requirements or modifications to the conduit system or other pathways to allow egress and ingress to the system shall not be unreasonably withheld, delayed, or restricted.
3. Each Party agrees to obtain the requisite permits and take no action to intervene against, or attempt to delay the granting of permits to the other for use of public right of way or access to private property with property owners. Each Party agrees to indemnify and hold harmless the other from any claims or actions on account of or relating to the Party's failure to obtain the requisite permits. Each Party agrees to provide, within 10 business days after receipt of a request from the other Party, information relative to the location and access to such facilities in a given local area. . If a Party requests access to any pole, duct, conduit, or right of way owned or controlled by the other Party, but fails to take such access, then the requesting party shall pay the actual costs of the other Party incurred in responding to said request.

B. Compensation.

Access to Company's and Carrier's poles, ducts, conduits, and rights of way, will be provided on a non-discriminatory, neutral basis. Rearrangement costs will be pro-rated on a cost basis among all new users of the facility. Should new facilities be required, the costs shall be pro-rated among all users of the new facility. Existing facilities shall be provided on a pro rata, cost allocated basis.

VII. ADDITIONAL SERVICES

A. 911/E911.

1. Description.

- a. Carrier will interconnect trunk groups to the Company 911/E911 selective routers/911 tandems which serve the areas in which Carrier provides exchange services, for the provision of 911/E911 services and for access to all sub-tending Public Safety Answering Points ("PSAP"). Company will provide Carrier with the appropriate Common Language Location Identifier ("CLLI") codes and specifications of the tandem service area.
- b. Where Company is the owner or operator of the 911/E911 database, Company will maintain, and the Parties will agree upon the time frame for automated input and daily updating of 911/E911 database information related to Carrier end users. Company will work cooperatively with Carrier to ensure the accuracy of the data transfer by verifying it against the Master Street Address guide (MSAG). Carrier shall use the NENA standards for street addressing and abbreviations, including a Carrier Code (NENA standard 5 - character field) on all ALI records sent to Company. Carrier is responsible for record data it provides to Company for entry in the database or, when available, for the information it enters into the database and agrees to indemnify and hold Company harmless from any and all claims or actions arising out of or relating to Carrier's negligence or intentional acts, errors or omissions in providing the record data to Company. . Additionally, Company shall work with the appropriate governmental authorities to provide Carrier the ten-digit telephone number of each PSAP which sub-tends each Company selective router/911 tandem to which Carrier is interconnected. Company will input Carrier's data in an interval that is no less frequent than that used by Company for its end user.
- c. Company will provide Carrier a default arrangement/disaster recovery plan including an emergency back-up number in case of massive trunk failures.
- d. Company will use its best efforts to facilitate the prompt, robust, reliable, and efficient interconnection of Carrier systems to the 911/E911 platform, with standards of provisioning, service, and performance that are non-discriminatory and are at least equal to those employed by Company for itself, its affiliates and/or subsidiaries, and other carriers providing switched local exchange services.

2. Operator Reference Database (ORDB).

If available, Company will work cooperatively with Carrier to assist Carrier in obtaining from the appropriate 911 government agencies monthly updates to the Operator Reference Database (ORDB). If available, this will enable Carrier to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc.), as a backup to 911, during a catastrophic situation.

B. White/Yellow Page Directory Listings and Distribution.

1. General Requirements

The directory listings and distribution terms and rates specified in this section shall apply to listings of Carrier customer numbers falling within NXX codes directly assigned to Carrier, and to listings of Carrier customer telephone numbers which are retained by Carrier pursuant to Local Telephone Number Portability Arrangements described below. The terms of this section may require a subsequent additional agreement with Company's Directory Publishing company which Company will assist Carrier in obtaining under the terms outlined below.

- a. Company will include Carrier's customer telephone numbers plus Carrier's customer service and repair contact information, in a style and format (e.g., type, size, location in book, etc.) similar to how Company provides its own such information, in all its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which Carrier provides services to such customers, and will distribute printed White and Yellow Pages directories to Carrier end user customers, in the same manner it provides those functions for its own customers or at the option of Carrier, to Carrier for distribution to its end users. Either Party may withhold provision of non-published telephone numbers of its end users to the other Party.
- b. At Carrier's request, Carrier's critical contact information shall appear on a common CLEC Information Page appearing in the "Informational Page" section of Company's telephone directory listing Carrier critical end user contact information regarding emergency services, billing and service information, repair services, and other pertinent telephone numbers relative to Carrier. Carrier's information shall conform to all applicable regulatory requirements. Carrier will not incur any additional charges for inclusion of this information on this Common Information Page. Additional Information pages will be made available at [Direct Cost plus 15 percent].
- c. Carrier will provide Company with its directory listings and daily updates to those listing in an industry-accepted format and via an agreed upon medium.
- d. Carrier and Company will accord Carrier's directory listing information the same level of confidentiality which Company accords its own directory listing information, and Company shall ensure that access to Carrier's customer proprietary confidential directory information will be limited solely to those Company employees who are directly involved in the preparation of listings.
- e. Company and Carrier will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include Carrier customer listings and any compensation due Company for administrative functions associated with furnishing listings to third Parties. Unless required by law, Company will not provide/sell Carrier's listings to any third parties without Carrier's prior written approval.

- f. Company shall provide directory distribution, directory database maintenance, and directory listings for Carrier and its customers under the same terms that Company provides these same services for its end users.
- g. The Yellow Pages directory Publisher shall be entitled to the revenues from the sale of Yellow Pages advertising. The Yellow Pages directory Publisher shall treat Carrier's customers in the same fashion and using the same publishing standards and policies and on a nondiscriminatory basis with Company's customers.

2. Compensation.

In-area directory delivery, database maintenance, and basic "White" and "Yellow" page listings will be provided at no fee. Out-of-area directory delivery and enhanced listings (i.e. bolding, indentation, second listings, etc.) will be per Company's currently tariffed or non-discriminately available contract rates applied to Company's own end users.

3. Billing.

- a. The Yellow Pages advertising billed to Carrier end users will be rendered separately to Carrier customers b / publisher, or at the option of Carrier, billed by Carrier to its end users. On Carrier billed accounts, the name of Company as the Directory Services Provider will appear. Carrier shall not increase the billing to end users and does not become a resale or sales agent of Company's Directory by virtue of this provision.
- b. The directory publisher shall invoice Carrier directly for advertising or white page bolding, or at the option of Carrier, as outlined in (a) above, Carrier may invoice its end users for Directory charges.

4. Information.

- a. Company shall provide to Carrier publishing cycles and deadlines to ensure timely delivery of Carrier customer information.
- b. Company shall identify the calling area covered by each directory and provide such information to Carrier in a timely manner.

3. Quality of Service.

- a. End-to-End interval for updating the database with Carrier customer data must be the same as provided for the Company's end users.
- b. Company will provide an automated capability (e.g., tape transfer or other data feed) to update the Company Directory database.

C. Directory Assistance

1. General Requirements.

- a. Where Company is a directory assistance service provider, at Carrier's request, subject to any existing system capacity restraints which Company shall work to overcome, Company will provide to Carrier for resale, unbranded directory assistance service which is comparable in every other way to the directory assistance service Company makes available to its own end users.
- b. When available, at Carrier's request, Company will:
 - i. provide to Carrier operators or to a Carrier-designated operator bureau on-line access to Company's directory assistance database, where such access is identical to the type of access Company's own directory assistance operators utilize in order to provide assistance services to Company end users; and/or
 - ii. allow Carrier or a Carrier-designated operator bureau to license Company's directory assistance database for use in providing competitive directory assistance services.
- c. Company will make Carrier's data available to anyone calling the Company's DA.
- d. Company will store proprietary customer information provided by Carrier in their Directory Assistance database; such information should be able to be identified by source provider in order to provide the necessary protection of Carrier or Carrier customers proprietary or protected information.
- e. Carrier may limit the Company's use of Carrier's data to directory assistance or, pursuant to written agreement, grant greater flexibility in the use of the data subject to proper compensation.
- f. If Directory Assistance is a separate retail service provided by Company, Company must allow wholesale resale of DA service.
- g. To the extent Company provides directory assistance service, Carrier will provide its listing to Company via data and processed directory assistance feeds in accordance with agreed upon industry format. Company shall include Carrier listings in its directory assistance database.
- h. Carrier will be able to license Company unbundled directory database and sub databases and utilize them in the provision of its own DA service. To the extent

that Carrier includes Company listings in its own directory assistance database, Carrier shall make Company's data available to anyone calling Carrier's DA.

- i. Company will make available to Carrier all service enhancements on a non-discriminatory basis.
- j. When technically feasible and requested by Carrier, Company will route Carrier customer DA calls to Carrier DA centers.

2. Business Processes.

- a. The Company will update and maintain the DA database with Carrier data, utilizing the same procedures it uses for its own customers, for those Carrier customers who:

Disconnect
Change carrier
Install
"Change" orders
Are Non-Published
Are Non-Listed
Are Non-Published/Not-Listed

- b. Each Carrier shall bill its own end-users.
- c. Carrier will be billed in standard carrier access billing format.
- d. Company and Carrier will develop intercompany procedures to correct errors when they are identified in the database.

3. Compensation.

- a. When Carrier is Rebranding the local service of Company, directory assistance that is provided without separate charge to end users will be provided to Carrier end users as part of the basic wholesale local service, subject to the "unbranded" directory assistance service provisions noted above. Where DA is separately charged as a retail service by Company, Carrier shall pay for DA service at wholesale.
- b. Should Carrier choose to provide its own directory assistance service, either internally or through a third party contractor, the avoided cost of Company directory assistance service shall be deducted from the wholesale local service price that Carrier pays Company for local service which Carrier Rebrands.

- c. Company shall place Carrier end users listings in its directory assistance database for no charge.
- d. Company shall make its unbundled directory assistance database available to Carrier. Prices should be negotiated, reasonable, and non-discriminatory with the expectation that CLEC prices will be the same as those applicable to ILEC-to-ILEC transactions.
- e. Any additional trunking necessary to provide an unbranded resold directory assistance service or routing to Carrier's own directory assistance service location shall be paid by Carrier.

D. Operator Services.

1. General Requirements.

- a. Where Company (or a Company Affiliate on behalf of Company) provides operator services, at Carrier's request, subject to any existing system capacity restraints which Company shall work to overcome, Company will provide to Carrier for resale, unbranded operator service which is comparable in every other way to operator service Company makes available to its own end users.
- b. Company shall provide operator services for resale at wholesale prices.
- c. At Carrier's request, subject to any existing system capacity restraints which Company shall work to overcome, Company will route Operator Service traffic of Carrier's customers to the Carrier's Operator Service Center.
- d. Company shall provide operator service deliverables to include the following: (i) local call completion -0 and 0+, billed to calling cards, billed collect, and billed to third party, and (ii) billable time and charges, etc.

2. Compensation.

- a. When Carrier is reselling Company Operator Service, Carrier shall pay the wholesale price for operator service.
- b. When Carrier requests unbranded Company Operator Services for resale, any additional trunking charges associated with Company unbranding shall be paid by Carrier.
- c. Company Operator Services shall be subject to requests under Section V, above.
- d. The Parties shall jointly establish a procedure whereby they will coordinate 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. Carrier and Company will reciprocally provide adequate connectivity to facilitate this capability. In addition, upon request of Carrier, Company will make available to Carrier for purchase under contract BLV and BLVI services at mutually agreed-upon rates, terms and conditions which, in all instances, shall be on a non-discriminatory basis and be at least as favorable as those which Company may extend to other carriers, affiliates and/or subsidiaries, and/or most favored customers.

VIII. ACCESS TO TELEPHONE NUMBERS.

A. General Requirements.

1. To the extent Company serves as the Central Office Code Administrator, Company will work with Carrier in a neutral and non-discriminatory manner, consistent with regulatory requirements, in regard to Carrier's requests for assignment of Central Office code(s) (NXX) consistent with the Central office Code Assignment Guidelines, and any applicable Commission or FCC rules and/or orders.
2. It is the responsibility of each Party to program and update its own switches to recognize and route traffic to other Party's assigned NXX codes. Neither Party shall impose fees or charges on the other Party for required programming and updating switches activities.

B. Compensation.

The Company must assign NXXs to Carrier at the same rates/charges it imposes upon itself.

C. Quality of Service.

Company must input Carrier's NXXs into its databases according to industry guidelines, including the terminating LATA in which the NXX/rate center is located.

D. Information.

1. Until such time that number administration is moved to an independent third party, Company will make available reporting on NXX availability, fill rates, and new assignments.
2. In addition, Company agrees to provide to Carrier the procedure for handling NPA-NXX splits.

IX. PROPRIETARY INFORMATION

1. During the term of this Agreement, it may be necessary for the Parties to provide each other with certain information ("Information") considered to be private or proprietary. The recipient shall protect such Information from distribution, disclosure or dissemination to anyone except its employees or contractors with a need to know such Information in conjunction herewith, except as otherwise authorized in writing. All such Information shall be in writing or other tangible form and clearly marked with a confidential or proprietary legend. Information conveyed orally shall be designated as proprietary or confidential at the time or such oral conveyance and shall be reduced to writing within thirty (30) days.
2. The Parties will not have an obligation to protect any portion of Information which: (a) is made publicly available lawfully by a non-Party to this Agreement; (b) is lawfully obtained from any source other than the providing Party; (c) is previously known without an obligation to keep it confidential; (d) is released by the providing Party in writing; or (e) commencing two (2) years after the termination date of this Agreement if such Information is not a trade secret under applicable law.
3. Each Party will make copies of the Information only as necessary for its use under the terms hereof, and each such copy will be marked with the same proprietary notices as appearing on the originals. Each Party agrees to use the Information solely in support of this Agreement and for no other purpose.
4. All records and data received from Carrier or generated by Company as part of its requirements hereunder, including but not limited to data or records which are received or generated and stored by Company pursuant to this Agreement, shall be proprietary to Carrier and subject to the obligations specified in this Section.
5. The Parties acknowledge that Information is unique and valuable, and that disclosure in breach of this Agreement will result in irreparable injury to owner for which monetary damages alone would not be an adequate remedy. Therefore, the Parties agree that in the event of a breach or threatened breach of confidentiality, notwithstanding Section XXI, the owner shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach or anticipated breach without the necessity of posting a bond. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of monetary damages.

X. OPTION TO ELECT OTHER TERMS

If, at any time while this Agreement is in effect, Company provides arrangements similar to those described herein to a third party CLEC operating within the same LATAs (including associated Extended Area Service Zones in adjacent LATAs) to 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 Carrier may opt to adopt any individual rates,

terms, and conditions offered to the third party in place of specific rates, terms, or conditions otherwise applicable under this Agreement for its own arrangements with Company regardless of volume discounts, other quantity terms, or other restrictions or provisions contained in the Agreement or tariff available to such third party.

In addition, if Company entered in an agreement (the "Other Agreement") approved by the Commission pursuant to Section 251 and/or Section 252 of the Act, and/or is subject to Order of the Commission, which provides for the provision of an interconnection, service, or unbundled element to another authorized Carrier, Company shall make available to Carrier such interconnection, service or unbundled element on an individual element-by-element or service-by-service basis without regard to other restrictions in said agreement upon the best individual terms and conditions as those provided in the Other Agreement.

XI. TERM AND TERMINATION

This Agreement shall be deemed effective as of _____, 1996. Except as provided herein, Company and Carrier agree to provide service to each other on the terms defined in this Agreement for a term of two years, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Either party may terminate this Agreement by providing written notice of termination to the other party, such written notice to be provided at least 180 days in advance of the date of termination. In the event of such termination as described herein, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements shall continue without interruption under either (1) a new agreement executed by the Parties, (2) standard interconnection terms and conditions approved and made generally effective by the Commission, or (c) tariff terms and conditions generally available to CLECs.

Either Party may terminate this Agreement in whole or in part in the event of a default by the other, provided that the non-defaulting Party so advises the defaulting Party in writing of the event of the alleged default and the defaulting Party does not remedy the alleged default within sixty (60) days after written notice thereof. Default is defined to include:

- a. Either Party's insolvency or initiation of bankruptcy or receivership proceedings by or against the Party; or
- b. Either Party's material breach of any of the terms or conditions hereof, including the failure to make any undisputed payment when due.

Termination of this Agreement for any cause shall not release either Party from any liability which at the time of termination has already accrued to the other Party or which thereafter may accrue in respect to any act or omission prior to termination or from any obligation which is expressly stated herein to survive termination.

XII. LOCAL NUMBER PORTABILITY

A. General Requirement.

1. The Parties shall provide interim number portability arrangements to permit end-user customers to change providers without changing their current phone numbers, provided that such end user remains located within the same ILEC rate center. Such arrangements may include remote call forwarding or flexible DID.
2. Company will provide necessary data to Carrier to allow Carrier to recover some terminating access charges, recognizing that both Carriers are involved in joint provision of access to IXCS, associated with terminating traffic to ported numbers assigned to its subscribers.

B. Compensation.

1. Company shall be entitled to reasonable compensation for this service, provided such compensation is cost-based (i.e., not retail call forwarding rates) and recognizes that interim number portability is an inferior serving arrangement.

XIII. RESALE OF LOCAL SERVICES

- A. Company shall not place conditions or restrictions on Carrier's resale of wholesale Telecommunications Services, except for restrictions on the resale of one class of service to other classifications (e.g., residential service to business customers).
- B. Company will continue to provide existing databases and signaling support for wholesale services at no additional cost.
- C. Company will make any service grandfathered to an end user available to Carrier for resale to that same end user at the same location.
- D. Company will provide at a minimum 90-days advance notice to Carrier of changes in or discontinuation of any product or service that is available for resale hereunder.
- E. Company will continue to provide Primary Interexchange Carrier (PIC) processing for those end users obtaining service from Carrier and Company will bill and Carrier will pay any PIC change charges.
- F. **Billing.**
 1. Company shall be responsible for directly billing the IXC for access related to interexchange calls generated by rebranded customers.

2. Company will be responsible for returning EMI records to IXC's with the Carrier disconnect rejection code along with the operating company number ("OCN") of the associated automatic number identification ("ANI").
3. Company will deliver a monthly statement for wholesale services based upon a mutually agreed upon schedule as follows:
 - a. Invoices will be provided in a standard carrier access billing format ;
 - b. Where available, the local usage at the call detail level in standard EMR/EMI industry format will be exchanged daily;
 - c. The Parties will work cooperatively in facilitating the billing of in and out collect process for inter and intra region alternately billed message.
 - d. Company agrees to provide information on the end user's selection of special features (e.g., billing method, special language).

G. Compensation.

1. All Company retail Telecommunications Services, pursuant to 47 USC §251(c)(4) shall be available for resale at wholesale prices. This includes exchange access services sold directly to an end user when the LEC has sold or proposes to sell exchange access directly to said end user. Pricing shall be developed based on 47 USC §252(d)(3) where wholesale prices are retail less avoided costs, net of any additional costs imposed by wholesale operations.
2. To the extent Carrier desires to order wholesale Telecommunications Services for resale from Company it is entitled to do so on a non-discriminatory basis under rates, terms, and conditions no less favorable than those currently extended, or which in the future may be extended, by Company to any other carrier offering switched local exchange services, or equivalent elements to most favored customers. Company agrees to provide Carrier with information concerning the terms and conditions available to all such Parties upon request. Wholesale prices available to Carrier shall include each rate available to any other Party irrespective of volume, term, or other conditions imposed on said Party.

XIV. PRIMARY LOCAL CARRIER AND PIC CHANGES

- A. Carrier and Company may order Primary Local Carrier (PLC) local and PIC record charges using the same order process and on a unified order.
- B. No Letter of Agreement ("LOA") signed by the end user will be required to process a PLC or PIC change ordered by Carrier or Company. Carrier and Company agree that

PLC and PIC change orders will be supported with appropriate documentation as required by FCC and Commission rules

- C. Each Party will provide the other, as agent of the end user customer, at the time of the PLC order confirmation, current information relative to the end user consisting of local features, products, services, elements, combinations, and any customer status qualifying the customer for a special service (e.g., DA exempt, lifeline, etc.) provided by the Party to that end user.
- D. As appropriate, the new PLC shall provide confirmation of installation change activity to the former PLC.. Company shall provide Carrier on-line access to Company's customer record information system and the Parties will establish a mechanism for periodic reconciliation between this system and Carrier's customer records database. *[negotiate timing]*

XV. ADDITIONAL RESPONSIBILITIES OF THE PARTIES

A. Cooperation on Fraud.

The Parties agree that they shall cooperate with one another to investigate, minimize and take corrective action in cases of fraud. The Parties' fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one Party as compared to the other.

At a minimum, such cooperation shall include, when allowed by law or regulation, providing to the other Party, upon request, information concerning end users who terminate services to that Party without paying all outstanding charges, when such end user seeks service from the other Party. Where required, it shall be the responsibility of the Party seeking such information to secure the end user's permission to obtain such information.

Each Party shall be responsible and will indemnify the other for fraud due to compromise of its network resulting from its negligence.

B. Audit.

The Parties agree to exchange such reports and/or data as required to facilitate the proper billing of traffic. Upon thirty (30) days written notice, any Party may request an audit of the usage reports and any such audit shall be accomplished during normal business hours at the office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. A request for an audit must be received within one (1) year of receipt of the PLU factor and usage reports from the audited party.

XVI. SPECIAL SERVICE ARRANGEMENTS AND CONSTRUCTION

A. Special Service Arrangements.

For special service arrangements not covered under this Agreement, special charges may apply as provided in the applicable state General Exchange Tariff, the interstate Access Services tariff, or as negotiated between the Parties, as appropriate.

B. Special Construction.

If Carrier's request for service requires construction of special facilities, special construction charges may apply as provided in the applicable state General Exchange Tariff or the interstate Access Services Tariff.

XVII. NETWORK MAINTENANCE AND MANAGEMENT

A. General Requirements.

1. The Parties will work cooperatively to install and maintain a reliable network. The Parties 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.
2. Each Party shall provide a 24-hour contact number for network traffic management issues to the other's surveillance management center. A fax number must also be provided to facilitate event notifications for planned mass calling events. The Parties shall agree upon appropriate network traffic management control capabilities.
3. Company agrees to work toward having service centers dedicated to CLECs available 7 days a week, 24 hours a day, and in the interim must handle Carrier calls as well as other customer calls in a non-discriminatory manner. *[negotiate timing]*
4. Voice response units, similar technologies, intercept solutions or live referrals should be used to refer/transfer calls from customers to the proper carrier for action. Neither Party shall market to end users during a call when that customer contacts the Party solely as a result of a misdirected call.
5. Carrier will be provided read and write access to the Company's maintenance and trouble report systems including the following systems and/or functionality: *[negotiate timing]*
 - a. Trouble reporting/dispatch capability - access must be real time;
 - b. Repair status/confirmations; maintenance/trouble report systems;
 - c. Planned/Unplanned outage reports; and
 - d. Mechanized line testing.

6. Notice of Network Event. Each Party has the duty to alert the other(s) to any network events that can result or have resulted in service interruption, blocked calls, or negative changes in network performance affecting more than 1% of Carrier's customers in any exchange on a real time basis.
7. Notice of Network Change. The Parties agree to provide each other reasonable notice of changes including the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as other changes that would affect the interoperability of those facilities and networks. Correct LERG data is considered part of this requirement.
8. Company and Carrier shall develop a detailed escalation process to assist in problem resolution.
9. Carriers must work cooperatively to plan and implement coordinated repair procedures for the local interconnection trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner.
10. The Company shall provide repair progress status reports so that Carrier will be able to provide its end user customers with detailed information and an estimated time to repair (ETTR). The Company will close all trouble reports with Carrier. Carrier will close all trouble reports with its end user.
10. A non-branded, customer-not-at-home card shall be left at the customer's premises when a Carrier customer is not at home for an appointment.
11. The Company will ensure that all applicable alarm systems that support Carrier customers are operational and the support databases are accurate so that equipment that is in alarm will be properly identified. The Company will respond to Carrier customer alarms consistent with how and when they respond to alarms for their own customers.
12. Carrier shall receive prior notification of any scheduled maintenance activity performed by the Company that may be service affecting to Carrier local customers (i.e., cable throws, power tests, etc.).

B. Transfer of Service Announcements.

When an end user customer who continues to be located within the local calling area changes from Company to Carrier, or from Carrier to Company, and does not retain its original telephone number, the Party formerly providing service to the end user will provide a new number announcement on the inactive telephone number upon request, for a minimum period of ninety days, at no charge to the end user or either Party unless Carrier or Company has a tariff on file to charge end users. This announcement will provide details on the new number to be dialed to reach this customer.

C. Coordinated Repair Calls.

Carrier and Company will employ the following procedures for handling misdirected repair calls:

1. Carrier and Company 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. 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. Either Party may respond with accurate information in answering customer questions.
3. Carrier and Company will provide their respective repair contact numbers to one another on a reciprocal basis.
4. It is recognized by the Parties that repair calls to a N11 available to only the Company is in violation of 47 USC §251(b)(3) dealing with dialing parity. Company, to the extent it receives repair or business office contact through N11 dialing will, at the time the next directory for the area is released, switch to a 7-digit or 10-digit number or make N11 dialing available to Carrier repair and business offices on a non-discriminatory basis.

D. Restoration of Service in the Event of Outages.

Company restoration of service in the event of outages due to equipment failures, human error, fire, natural disaster, acts of God, or similar occurrences shall be performed in accordance with the following priorities. First, restoration priority shall be afforded to those network elements and services affecting its own end users or identified Carrier end users relative to national security or emergency preparedness capabilities and those affecting public safety, health, and welfare, as those elements and services are identified by the appropriate government agencies. Second, restoration priority shall be afforded between Company and Carrier in general. Third, should Company be providing or performing tandem switching functionality for Carrier, third level priority restoration should be afforded to any trunk. Lastly, all service shall be restored as expeditiously as practicable and in a non-discriminatory manner.

Carrier and Company will agree on a process for circuit and unbundled element provision and restoration whereby certain identified Carrier circuits will be afforded emergency treatment and general trunking and interconnection should take priority over any other non-emergency Company network requirement.

E. Monthly Service Projections.

The Carrier shall make available to Company monthly service projections including, without limitation, busy hour usage for Company's access capacity. Company shall manage its network in order to accommodate the Carrier's projected traffic at the required grade of service. The Parties shall review engineering requirements on a semi-annual basis and establish forecasts for trunk and facilities utilization provided under this Agreement. Trunk growth will be implemented as dictated by engineering requirements.

F. Quality of Service.

1. Company shall provide Carrier provisioning, repair and maintenance support 7 days a week, 24 hours a day. *[negotiate time frame]*
2. Company shall provide Carrier with at least the same intervals and level of service provided by the Company to end users or another Party at any given time to ensure parity in treatment.
3. Company shall provide Carrier maintenance and repair services on wholesale and/or unbundled facilities in a manner that is timely, consistent and at parity with unbundled service provided to Company end users and/or other carriers.
4. Interconnection quality of service should be no less than that provided by the Company for its own services.
5. A minimum blocking standard of one percent (.01) during the average busy hour shall be maintained on an average basis for all local interconnection facilities.
6. Company shall adhere to competitive intervals for installation of POIs, and the objective in no case should be longer than 30 calendar days, absent extenuating circumstances.
7. Carrier and Company shall negotiate a process to expedite network augmentations and other orders.
8. Carrier and Company shall negotiate a mechanism whereby Company will improve performance when it is in breach of commission imposed or agreed upon quality-of-service standards. Company shall indemnify Carrier for any forfeitures or civil penalties or other regulator-imposed fines caused by Company failure to meet commission imposed service standards or agreed to service standards.
9. Carrier must be at parity with the Company (or its affiliates or third Parties) in provision of unbundled elements. This must at a minimum include:
 - a. Switch features at parity;
 - b. Treatment during overflow/congestion conditions at parity;

- c. Equipment/interface protection at parity;
 - d. Power redundancy at parity;
 - e. Sufficient spare facilities to ensure provisioning, repair, performance, and availability at parity;
 - f. Mediation functions at parity; and
 - g. Standard interfaces; and
10. Carrier and Company will mutually develop operating statistical process measurements that will be monitored monthly to ensure that a negotiated service quality level is maintained.
- G. Information.**
1. Order confirmation must be provided within 24 hours of completion to ensure that all necessary translation work is completed on newly installed facilities or augments.
 2. Company and Carrier shall agree upon and monitor operational statistical process measurements. Such statistics will be exchanged upon an agreed upon schedule.
 3. Company and Carrier will periodically exchange technical descriptions and forecasts of their interconnection and traffic requirements in sufficient detail to assure traffic completion to and from all customers within the appropriate calling areas.
 4. Company shall provide and update an electronic copy of their switch Network ID Database with complete list of feature/functions by switch, NPA/NXXs, rate centers, etc. *[negotiate time frame]*
 5. Company shall provide a list/description of all services and features with availability down to street address detail, including: Type of Class 5 Switch by CLLI, line features availability by switch office, and service and capacity availability by switching office. Company shall further provide a complete layout of the data elements that will be required to provision all such services and features. *[negotiate time frame]*
 6. Company shall provide detailed description of the criteria and process used for handling facility and power outages on an agreed upon severity and priority basis.
 7. The Company shall provide an initial electronic copy and a hard copy of the service address guide (SAG), or its equivalent. Updates are expected as changes are made to the SAG. *[negotiate time frame]*
 8. Company shall provide Carrier with engineering change notices it provides its own personnel associated with the Company's network elements and deployment of new technologies to the extent such will impact interoperability of Company's and Carrier's networks.

9. Company shall provide, on an AS IS basis, Carrier with a list of emergency numbers (e.g. same digit PSAP numbers, police, fire, etc.). Company will provide Carrier with the same list that Company uses. Company makes no warranties or guarantees with regard to the accuracy, completeness, or currency of said numbers.

XVIII PROVISIONING AND INSTALLATION

A. Order Processing.

1. The Company must establish dedicated CLEC ordering centers. *[negotiate time frame]*
2. Industry standardized electronic interfaces for the exchange of ordering information must be adopted and made available using any industry standard order formats and methods that are developed, (e.g. EDI). Electronic interfaces should be established to provide access to the Company order processing database. *[negotiate time frame]*
3. The Company is responsible for ordering facilities to terminate traffic to Carrier.
4. When 2-way trunking is employed, the Parties will select a mutually agreeable automated ordering process.
5. The parties shall establish appropriate ordering/provisioning codes for each identified service and unbundled combination. *[negotiate time frame]*
6. When combinations of unbundled elements are ordered and said elements are currently interconnected and functional, those elements will remain interconnected and functional without an interruption in service.
7. Until such time as numbering is administered by a third party, Company shall provide Carrier the ability to obtain telephone numbers on-line from the Company, and to assign these numbers with the Carrier customer on-line. This includes vanity numbers. Reservation and aging of numbers remain the responsibility of the Company. *[negotiate time frame]*
8. Company shall provide Carrier the ability to order all available features on that switch (e.g., calling block of 900 and 976 calls by line or trunk on an individual service basis) and high usage reports, as needed, so that Carrier may provide any regulatory required high usage reports to its end users.
9. Carrier and the Company will adopt an industry standard service order/disconnect order format.

10. Company shall provide Carrier the "real time" ability to schedule installation appointments with the customer on-line and access to the Company's schedule availability. *[negotiate time frame]*
11. Company shall provide "real-time" response for: Firm order confirmation, due date availability/scheduling, dispatch required or not, identify line option availability by switch office (such as Digital Copper, Copper Analog, ISDN, etc.), completion with all service order and time and cost related fees, rejections/errors on service order data element(s), jeopardizes against the due date, missed appointments, additional order charges (construction charges), order status, validate street address detail, and electronic notification of the local line options that were provisioned, at the time of order completion, by the Company for all Carrier local customers. This applies to all types of service orders and all elements. *[negotiate time frame]*
12. The Company will direct customer to Carrier for requests changing their Carrier service at the time of installation.

B. Provisioning and Installation.

1. The Company will provide to Carrier copies of all applicable test and turn-up procedures Company normally follows in support of the unbundled elements/combinations/services ordered by Carrier. *[negotiate time frame]*
2. Within 48 hours of any disconnect, the Company will notify Carrier of the disconnect of any Carrier unbundled element/combination/service.
3. All notices, invoices, and documentation provided on behalf of Carrier to the customer at the customer's premises by the Company's field personnel shall either be branded Carrier or non-branded. Company shall not market its services during such calls.
4. Company shall provide the ability for Carrier to mechanize test or, notwithstanding anything to the contrary in V.A.5, will test all elements/combinations.
5. Company will provide a system to mark Carrier circuits and elements for expedited restoral purposes.

C. Billing.

1. Company and Carrier agree to conform to MECAB and MECOD guidelines. They will exchange Billing Account Reference and Bill Account Cross Reference information and will coordinate Initial Billing Company/Subsequent Billing Company billing cycles.
2. Exchange access meet point billing arrangements will be made available to Carrier as a CLEC. Where Company currently has meet point arrangements, they shall be made

available on the same terms and conditions as made available by Company to other ILECs engaged in meet point billing arrangements with the Company.

3. No discrete development charges shall be imposed on Carrier for the establishment of standard meet point billing arrangements.
4. Carrier and the Company agree to implement industry standard CARE records for correct provisioning and billing to IXC.
5. Where the Company provides transit functions, the Company will prepare and transmit inward terminating call records for the appropriate IXC to Carrier in an agreed upon format (e.g., EMR). Such files will be transmitted daily in an agreed upon media (e.g., Network Data Mover ("NAM")).
6. Exchange of Records.

The Company and Carrier will exchange the appropriate records to bill exchange access charges to the IXC.

The Company agrees to capture inward terminating call records and send them to Carrier in an agreed upon industry standard format (e.g. EMR).

Carrier and Company agree to capture EMR records for inward terminating and outward originating calls and send them to Company or Carrier, as appropriate, in daily files via an agreed upon media (e.g. Network data mover (NDM)).

7. Company agrees to exchange test files to support implementation of meet point billing, local service billing, CLASS feature billing, and other access or wholesale service elements prior to live bill production.
8. When Carrier owns the end-office, the Company will not bill the transport interconnection charge ("TIC") (also known as the residual interconnection charge) to either Carrier or the IXC.

XIX. LAW ENFORCEMENT AND CIVIL PROCESS

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 a customer of the other Party, it shall refer such request to the Party that serves such customer, 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. The intercept will be done at no charge when the request is in the form of a court order.

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 users service provider, in which case the Party will respond to any valid request.

C. Hostage or Barricaded Persons 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 any 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.

XX. FORCE MAJEURE

Neither Party will be liable or deemed to be in default for any delay or failure in performance under this Agreement for an interruption in service for which it had no control resulting directly or indirectly by reason of fire, flood, earthquake, or like acts of God, explosion, war, or other violence, or any requirement of a governmental agency, or cable cut by a third party, provided the Party so affected takes all reasonable steps to avoid or remove such cause of non-performance, provides immediate notice to the other Party setting forth the nature of such claimed event and the expected duration thereof, and resumes provision of service promptly whenever such causes are removed.

XXI. DISPUTE RESOLUTION

- A.** In the event of any disputes between Company and Carrier with respect to the terms and conditions of this Agreement, or any subject matter referred to in or governed by this Agreement, such disputes shall be settled as follows, except for disputes in which a Party seeks injunctive relief or must file suit in order to avoid expiration of the applicable statute of limitations.
- B. Escalation Procedures.** - All disputes between the Parties shall be escalated through normal business procedures to respective representatives from each company at the vice-presidential level (or at such lower level as each Party's vice-president may delegate).

Each Party has the right to request and, upon agreement of the other Party, to review any materials it deems pertinent to the dispute. The representatives shall consider any material submitted to it by either Party. Not to exceed 45 days from the date the dispute arises, each Party shall state in writing when it has received all materials it desires to review, and 15 days thereafter the representatives shall state in writing to the Parties the extent to which it has resolved the dispute. Both Parties agree to negotiate resolution of such problems in good faith.

C. Mediation.

1. In the event that a claim, controversy or dispute between Company and Carrier is not resolved by use of the Escalation Procedures, either Party may request non-binding Mediation by issuing a Notice of Mediation to the designated representative of the other Party. Both Parties agree to pursue a mediated resolution of the dispute in good faith. The Notice of Mediation shall be clearly marked as such and contain all information necessary to pursue resolution of the dispute. The originator of the Notice of Mediation shall arrange to have the Notice delivered within 24 hours of issuance.
2. Within five (5) days of issuance of the Notice, the designated representative of the Parties shall agree upon an independent mediator. Said mediator shall be an individual who, unless the Parties otherwise mutually agree, has never been employed, directly or indirectly, by either of the Parties or their affiliates (except as a mediator). If the Parties cannot agree upon a mediator, then within the same five (5) day period, each shall appoint an independent representative, one who has never been employed, directly or indirectly, by either of the Parties or their affiliates, and these two independent representatives, within five (5) days of their appointment, shall appoint the mediator.
3. The mediator shall set the time for a meeting to be held with the designated representative of each company. The designated representative shall be a person empowered to resolve the dispute on behalf of his/her company at the meeting and may be accompanied by a legal representative. A meeting shall take place within 30 days of the date of the appointment of the mediator and shall be held in a location agreed to by the Parties and the mediator. The mediator shall control the procedural aspects of the mediation, including the time and place of each session, the agenda for each meeting between the mediator and a Party or a joint meeting with both Parties. At any time following the initial joint meeting, either Party may withdraw from the mediation by written notice to the mediator and the other Party.
4. The mediator shall attempt to mediate the dispute and bring the Parties to a resolution of the issue. Failing this, the mediator, at the conclusion of the mediation process shall provide to the Parties within ten (10) days his/her opinion of the appropriate resolution of the dispute. This opinion is not binding on either Party and may not be used by either Party in any future proceeding. The mediation process shall be treated as a compromise negotiation for purposes of the Federal Rules of Evidence and State Rules of Evidence. The mediator shall be disqualified as a witness, consultant or expert in any pending or

future action relating to the subject matter of the mediation, including those between entities not Party to the mediation.

5. Within fourteen (14) days of receipt of the mediator's opinion, each Party's designated representatives shall meet one final time to resolve the dispute. If they are unable to resolve the dispute, both Parties are free to pursue their legal remedies.
 6. The entire mediation process is confidential. The Parties and the Mediator shall not disclose to third Parties (i) Information disclosed by either Party during the mediation process, or (ii) information regarding the mediation process itself, including any settlement terms.
 7. Costs of mediation shall be borne equally by the Parties, except that each Party shall be responsible for its own expenses. The mediator's compensation rate will be determined at or before his/her appointment. At the time of the mediator's appointment, the mediator shall be required to execute an agreement in a form mutually agreeable to the Parties.
- D. Company shall continue providing services to Carrier during the pendency of any dispute resolution procedure, and Carrier shall continue to perform its obligations (including making payments) in accordance with this Agreement.

XXII. GOVERNING LAW

The Parties agree that this Agreement shall be construed in accordance with and governed by the laws of the State where the service is provided.

XXIII. COMPLIANCE WITH LAWS

Both Parties agree to comply with all applicable federal, state, and local laws, including, but not limited to the Act.

XXIV. NOTICE

All notices required or permitted to be given hereunder shall be in writing and shall be deemed to be effective as follows: (i) by hand on the date delivered; (ii) by certified mail, postage prepaid, return receipt requested, on the date the mail is delivered or its delivery attempted; (iii) by facsimile transmission, on the date received in legible form (it being agreed that the burden of proof of receipt is on the sender and will not be met by a transmission report generated by the senders facsimile machine, or if sent by electronic messaging system, on the date that electronic message is received. The notices provided for by this Section K shall be given as follows:

If to Company:

If to Carrier:

Either Party may change its address or the person to receive notices by a notice given to the other Party in the manner set forth above.

XXV. MISCELLANEOUS

- A. The Parties agree to use their respective diligent and good faith efforts to fulfill all of their obligations under this agreement. The Parties recognize, however, that to effectuate all the purposes of the Agreement, it may be necessary either to enter into future agreements or to modify the Agreement, or both. In such event, the Parties agree to cooperate with each other in good faith.
- B. This Agreement may be modified by a written instrument only, executed by each Party hereto. Waiver of any of the obligations to be performed by the other or the breach thereof shall not be construed to be a waiver of any succeeding breach of performance obligation.
- C. The headings in this Agreement are inserted for convenience and identification only and are not intended to interpret, define, or limit the scope, extent or intent of this Agreement.
- D. This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.
- E. The Parties agree that this Agreement is for the sole benefit of the Parties hereto and is not intended to confer any rights or benefits on any third party, including any customer of either Party, and there are no third party beneficiaries to this Agreement or any part or specific provision of this Agreement.

XXVI. LIMITATION OF LIABILITY

Except as otherwise set forth in this Agreement, neither Party shall be responsible to the other for any indirect, special, consequential or punitive damages, including (without limitation) damages for 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"), whether arising in contract or tort, provided that the foregoing shall not limit a party's obligation under XXVII A. to indemnify, defend, and hold the other party harmless against amounts payable to third parties.

Notwithstanding the foregoing, in no event shall Company's liability to Carrier for a service outage exceed an amount equal to the proportionate charge for the service(s) or unbundled element(s) provided for the period during which the service was affected.

XXVII. INDEMNIFICATION

- A. Each Party agrees to indemnify and hold harmless the other Party from and against claims for damage to tangible personal or real property and/or personal injuries arising out of the negligence or willful act or omission of the indemnifying Party or its agents, servants, employees, contractors or representatives. To the extent not prohibited by law, each Party shall defend, indemnify, and hold the other Party harmless against any loss to a third party arising out of the negligence or willful misconduct by such indemnifying Party, its agents, or contractors in connection with its provision of service or functions under this Agreement. In the case of any loss alleged or made by a Customer of either Party, the Party whose customer alleged such loss shall indemnify the other Party and hold it harmless against any or all of such loss alleged by each and every Customer. The indemnifying Party under this Section agrees to defend any suit brought against the other Party-either individually or jointly with the indemnifying Party-for any such loss, injury, liability, claim or demand. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.
- B. Each Party agrees to indemnify and hold harmless the other Party from all claims and damages arising from the Indemnifying Party's discontinuance of service to one of its end users for nonpayment.
- C. When the lines or services of other companies and carriers are used in establishing connections to and/or from points not reached by a Party's lines, neither Party shall be liable for any act or omission of the other companies or carriers.
- D. In addition to its indemnity obligations hereunder, 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) consequential damages (as defined in XXVI above).

XXVIII. ASSIGNMENT

- A. If any Affiliate of either Party succeeds to that portion of the business of such Party that is responsible for, or entitled to, any rights, obligations, duties, or other interests under this Agreement, such Affiliate may succeed to those rights, obligations, duties, and interest of such Party under this Agreement. In the event of any such succession hereunder, the successor shall expressly undertake in writing to the other Party the performance and liability for those obligations and duties as to which it is succeeding a Party to this Agreement. Thereafter, the successor Party shall be deemed Carrier or Company and the original Party shall be relieved of such obligations and duties, except for matters arising out of events occurring prior to the date of such undertaking.
- B. Except as herein before provided, and except to an assignment confined solely to monies due or to become due, any assignment of this Agreement or of the work to be performed, in whole or in part, or of any other interest of a Party hereunder, without the other Party's written consent, which consent shall not be unreasonably withheld or delayed, shall be void. It is expressly agreed that any assignment of monies shall be void to the extent that it attempts to impose additional obligations other than the payment of such monies on the other Party or the assignee additional to the payment of such monies.

XIX. SURVIVORSHIP

Sections IX, XXVI, and XXVII shall survive termination or expiration of this Agreement.

XXX. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, and proposals with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have cause this Agreement to be executed by their respective duly authorized representatives.

COMPANY

CARRIER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

PCDOCS #: 9935