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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

MICHAEL R. HUNSUCKER

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

A. My name is Michael R. Hunsucker. I am employed by Sprint/United Management Company as Director - Pricing and Tariffs. My business address is 2330 Shawnee Mission Parkway, Westwood, Kansas, 66205.

Q. Please summarize your educational background and work experience.

A. I received a Bachelor of Science degree in Economics and Business Administration from King College in 1979.

I began my career with Sprint in 1979 as Staff Forecaster for Sprint/United Telephone - Southeast Group in Bristol, Tennessee and was responsible for the preparation and analyzation of access line and minutes of use forecasts. While at Southeast Group, I held various positions through 1985 primarily responsible for the preparation and analyzation of financial operations budgets and reports.

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1 budgets, and Part 69 cost allocation studies. In 1985,  
2 I assumed the position of Manager - Cost Allocation  
3 Procedures for Sprint/United Management Company and was  
4 responsible for the preparation and analyzation of Part  
5 69 allocations including systems support to the 17 states  
6 in which Sprint/United operated. In 1987, I transferred  
7 back to Sprint/United Telephone - Southeast Group and  
8 assumed the position of Separations Supervisor with  
9 responsibilities to direct all activities associated with  
10 the jurisdictional allocations of costs as prescribed by  
11 the FCC under Parts 36 and 69. In 1988 and 1991  
12 respectively, I assumed the positions of Manager - Access  
13 and Toll Services and General Manager - Access Services  
14 and Jurisdictional Costs responsible for directing all  
15 regulatory activities associated with interstate and  
16 intrastate access and toll services and the development  
17 of Part 36/69 cost studies including the provision of  
18 expert testimony as required.

19  
20 In my current position, Director - Pricing and Tariffs,  
21 for Sprint/United Management Company, I am responsible  
22 for the development and promotion of regulatory policy  
23 for the Sprint local exchange companies and for the  
24 coordination of regulatory policies with other Sprint  
25 business units.

1 Q. Have you testified previously before state regulatory  
2 commissions?

3

4 A. Yes, I have testified before the South Carolina Public  
5 Service Commission and the Pennsylvania Public Utility  
6 Commission.

7

8 Q. What is the purpose of your testimony?

9

10 A. The purpose of my testimony is to respond to the matters  
11 raised in the MCI Petition for Arbitration under the  
12 Telecommunications Act of 1996 ("Petition") and to  
13 respond to the prefiled testimony of MCI's witnesses, Don  
14 Price, Jerry Murphy, Ronald Martinez, and Richard Cabe  
15 and the other documentation which accompanied the MCI  
16 Petition.

17

18 Q. Does your testimony rely upon or take into account the  
19 FCC's First Report and Order ("FCC Order") and Rules?

20

21 A. Yes, it does. It also acknowledges that significant  
22 portions of the FCC's Rules have been stayed by the U.S.  
23 Court of Appeals for the 8th Circuit ("Court") on October  
24 15, 1996, and Justice Clarence Thomas of the United  
25 States Supreme Court, on October 31, 1996, declined the

1 FCC's request to lift the stay.

2

3 Q. Mr. Hunsucker, what provisions of the rules have been  
4 stayed?

5

6 A. Exhibit MRH-1 attached to my testimony provides a section  
7 by section listing of the FCC Rules that were stayed by  
8 the Court. In summary, the Court stayed Sections 51.501  
9 - 51.515, Pricing of Unbundled Elements, Sections 51.601-  
10 51.611, Resale, Sections 51.701-51.717, Reciprocal  
11 Compensation for Transport and Termination of Local  
12 Telecommunications Traffic, and Section 51.809, Most  
13 Favored Nations. Additionally, the proxy range for line  
14 ports contained in the FCC's September 27, 1996, Order on  
15 Reconsideration in CC Docket No. 96-98, was stayed.

16

17 Although United States Supreme Court Justice Clarence  
18 Thomas, on October 31, 1996, rejected the FCC's request  
19 to lift the stay, the Court, on November 1, 1996, in  
20 response to an emergency motion to modify the stay filed  
21 by AirTouch Communications, Inc., lifted the stay only as  
22 to §§ 51.701, 51.703 and 51.717.

23

24 Q. Mr. Hunsucker, have the processes under which the Florida  
25 Public Service Commission ("Commission") is acting in

1           this docket been affected by the stay?

2

3       A.     No.     The parties' rights to request the Commission  
4           arbitrate an interconnection agreement under the  
5           Telecommunications Act of 1996 remain in full force and  
6           effect. As I understand the stay, it leaves to the state  
7           Commissions the discretion of determining the appropriate  
8           pricing methodologies for interconnection, unbundled  
9           elements and resold services. It also empowers the  
10          Commission to determine how the Most Favored Nations  
11          ("MFN") language in the Act should be applied.

12

13       Q.     Does Sprint have any overriding concerns as it relates to  
14           arbitration proceedings in general?

15

16       A.     Yes.   Sprint is concerned about the possibility of the  
17           implementation of different policies, costing/pricing  
18           methodologies, etc. as this or any commission proceeds  
19           with the multitude of arbitrations that will undoubtedly  
20           be placed before them. Sprint urges this Commission to  
21           ensure that these policies, methodologies, etc. be  
22           developed and applied on a statewide, industry-wide  
23           basis. This does not mean that individual ILECs and  
24           CLECs may not have different costs and/or prices, only  
25           that the manner in which the costs/prices are developed

1 and applied be on a consistent basis across all carriers  
2 in the state. This will ensure a non-discriminatory  
3 market in which all ILECs and CLECs are afforded an equal  
4 opportunity to compete.

5  
6 Q. In its Petition, MCI states that Sprint has failed to  
7 respond to MCI's proposals. Is this a correct statement?

8  
9 A. No. Contrary to MCI's assertion, Sprint has fully  
10 responded to MCI's proposals. Attached is Exhibit MRH-2  
11 which provides a detailed chronology of events associated  
12 with the Sprint/MCI negotiations and clearly shows that  
13 Sprint has pursued negotiations in good faith.

14  
15 Q. Has Sprint proposed an Interconnection and Resale  
16 Agreement to MCI?

17  
18 A. Yes. Prior to the issuance of the FCC Order in CC Docket  
19 96-98, Sprint developed an Interconnection and Resale  
20 Agreement ("Master Agreement") that was provided to MCI  
21 on August 14, 1996. Subsequently Sprint modified the  
22 Master Agreement to be consistent with the FCC rules and  
23 a copy, dated September 24, 1996, (Exhibit MRH-3), was  
24 provided to MCI on September 24, 1996. Because this draft  
25 agreement was prepared by Sprint Corporation, which

1 serves several different telecommunications markets;  
2 i.e., local, long distance, wireless and competitive  
3 local exchange, this draft agreement reflects a balanced  
4 approach to the rights, responsibilities and obligations  
5 of the parties engaging in local exchange competition  
6 consistent with the Telecom Act of 1996. This Master  
7 Agreement will of necessity be modified and refined going  
8 forward as circumstances require.

9  
10 Sprint's Master Agreement is the most appropriate vehicle  
11 for purposes of arbitrating the positions of the parties.  
12 This will be the interconnection and resale agreement  
13 that the non-ILEC Sprint entities will present to the  
14 ILECs throughout Florida and other states when those  
15 Sprint entities enter the local exchange markets. It  
16 represents a balanced position of the interests of ILECs  
17 and CLECS.

18  
19 Q. Does Sprint offer any changes to the Master Agreement?

20  
21 A. Subsequent to September 24, 1996, draft, Sprint has  
22 drafted Most Favored Nations' language (Reference Exhibit  
23 MRH-4 for the full text) that should be adopted by the  
24 Commission in this proceeding. This language allows  
25 CLECs to pick and choose the rates, terms and conditions

1 of any agreement between telecommunications carriers.  
2 This language is necessary to ensure that rates, terms  
3 and conditions are non-discriminatory among all market  
4 participants and ensures that larger carriers with market  
5 power cannot negotiate rates, terms and conditions more  
6 favorable than those offered to other carriers lacking  
7 such market power. Additionally, it states that upon FCC  
8 or Commission approval of rates, terms or conditions, the  
9 resultant rates, terms or conditions should be  
10 substituted in place of those previously in effect in any  
11 and all contractual arrangements. Again, this is required  
12 to ensure that individual ILEC rates, terms and  
13 conditions are applied on a non-discriminatory basis to  
14 all market participants regardless of market power.

15

16 Q. In the context of the issues raised by MCI, how is your  
17 testimony structured?

18

19 A. My testimony addresses the thirteen discrete issues  
20 raised in MCI's Petition, as well as the subparts of  
21 those issues.

22

23 UNBUNDLED ELEMENTS

24

25 Q. Does Sprint agree to provide MCI with unbundled network



1 elements?

2

3 A. Yes, we do. Sprint is committed to providing any CLEC  
4 with the minimum list of unbundled network elements  
5 contained in the FCC's Rules, Section 51.319.

6

7 Q. Please outline the requirements of the Act as it relates  
8 to the provisioning of unbundled elements.

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 access  
15 to network elements on an unbundled basis at any  
16 technically feasible point on rates, terms, and  
17 conditions that are just, reasonable, and  
18 nondiscriminatory. (Sec. 251(c)(3).)

19

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

24

25 ▶ Defines a network element as a facility or equipment

1 used in the provision of a telecommunications  
2 service, including features, functions, and  
3 capabilities such as subscriber numbers, databases,  
4 signaling systems, and information sufficient for  
5 billing and collection, or used in transmission,  
6 routing, or provision of a telecommunications  
7 service. (Sec. 3(a)(45).)

8  
9 ▶ Requires the FCC, in determining which network  
10 elements will be made available, to consider, at a  
11 minimum, whether (A) access to network elements that  
12 are proprietary is necessary, and (B) whether failure  
13 to provide access to these network elements would  
14 impair the ability of a carrier to provide the  
15 services it wishes. (Sec. 251(d)(2).)

16  
17 • Requires that prices be based on cost (without  
18 reference to any rate-based proceeding) and be  
19 nondiscriminatory, and may include a reasonable  
20 profit. (Sec. 252(d)(1).)

21  
22 Q. What specific elements does the FCC required to be  
23 unbundled at this time?

24  
25 A. The FCC Rules, Section 51.319 (Note : This section was

1 not stayed by the court), outlines the following network  
2 elements that must be unbundled:

- 3 Local Loop
- 4 Network Interface Device
- 5 Switching Capability
- 6 Interoffice Transmission Facilities
- 7 Signaling Networks and Call-Related Databases
- 8 Operations Support Systems
- 9 Operator Services and Directory Assistance

10

11 Q. Are these the same unbundled network elements that MCI  
12 has requested in this arbitration proceeding?

13

14 A. No. MCI has requested that the local loop be unbundled  
15 to a subelement level of loop distribution and has  
16 requested dark or "dim" fiber.

17

18 Q. Does Sprint object to MCI's request to unbundle loop  
19 distribution?

20

21 A. Sprint is not opposed to any request for further  
22 unbundling beyond that contained in the FCC Order subject  
23 to the technical feasibility of provisioning such a  
24 request. Sprint is uncertain at this time as to whether  
25 it can comply with MCI's request as MCI has not provided

1 any specific details with its request. Sprint cannot  
2 make a determination of the technical feasibility until  
3 MCI provides details as to where such unbundling is  
4 needed. Sprint believes that such requests for further  
5 unbundling should be handled pursuant to a bona fide  
6 request from MCI to Sprint. Attached as Exhibit MRH-5 is  
7 Sprint's proposed bona fide request process, including  
8 time frames.

9

10 Additionally, during contract negotiations between Sprint  
11 and MCI, MCI agreed to remove the loop distribution from  
12 the list of initial unbundled elements to be provided by  
13 Sprint per the proposed contract. As such, this issue  
14 should not be addressed in this arbitration proceeding.

15

16 Q. Does Sprint object to providing dark or "dim" fiber?

17

18 A. Yes. Section 251(c)(3) of the Act requires Sprint to  
19 provide MCI "... nondiscriminatory access to network  
20 elements on an unbundled basis..." Section 3(45) of the  
21 Act defines "network element" to mean a "facility or  
22 equipment used in the provision of a telecommunications  
23 service." Dim or dark fiber - meaning fiber without  
24 electronics - is not used by Sprint "in the provision of  
25 a telecommunications service" as required by the Act.

1 MCI's argument that it can more efficiently provide the  
2 electronics does not address the fundamental fact that  
3 dark fiber without the electronics cannot provide a  
4 telecommunications service. Such unbundling is not  
5 required by the Act or the FCC Order.

6  
7 The Act, in Section 251(d)(2), Access Standards, states  
8 that "In determining what network elements should be made  
9 available for purposes of subsection (c)(3), the  
10 Commission shall consider at a minimum, whether (A)  
11 access to such network elements are proprietary in  
12 nature; and (B) the failure to provide access to such  
13 network elements would impair the ability of the  
14 telecommunications carrier seeking access to provide the  
15 services that it seeks to offer." Sprint believes that  
16 access to existing dark fiber should not be mandated by  
17 the Commission. Sprint will act as a non-regulated  
18 construction agent for MCI or any other CLEC in the  
19 provision of dark fiber separate and apart from Sprint's  
20 existing network. Alternatively, MCI could self-  
21 provision dark fiber or obtain it from any other  
22 available source.

23  
24 Further, Sprint has deployed fiber in its network to  
25 handle existing and forecasted demand. The sale of dark

1 fiber imposes inefficiencies on other (ILEC and CLEC)  
2 customers by fragmenting demand on individual routes.  
3 Typically, one system (e.g., OC-48) can handle total  
4 demand on a route. If Sprint is required to fragment  
5 demand on the route, additional costs will be incurred by  
6 reducing the utilization along the entire route. In  
7 other words, if Sprint is required to sell only a portion  
8 of an entire fiber route to MCI or any other CLEC, the  
9 remaining portion of fiber is rendered useless especially  
10 when the fiber is part of a fiber ring and the associated  
11 costs of the remaining fiber must be recovered from other  
12 customers.

13  
14 Generally, spare fibers are not available in sufficient  
15 quantities for all CLECs, and Sprint should not be  
16 required to construct new facilities to meet demand for  
17 dark fiber. This is unlike unbundled loops of switching  
18 where the capacity needed by the CLEC is offset by  
19 reductions in capacity needed by Sprint since Sprint has  
20 lost the customer. With dark fiber, Sprint will still  
21 need the fiber to serve its retained customers, i.e.,  
22 Sprint will not be able to reduce its capacity (fiber)  
23 needs.

24

25 Most importantly, the mandated provision of dark fiber

1           relegates the ILEC to the role of provider of "dumb  
2           pipes" or facilities. It places the ILEC in the position  
3           of being the capital provider for CLEC entry. All of the  
4           risk of such a policy is placed upon the ILEC, and  
5           ultimately upon its retained customers and shareholders.

6  
7           Clearly, MCI's position in the market will not be  
8           impaired if Sprint is not required to make existing dark  
9           fiber available to MCI, however, inefficiencies will be  
10          created and Sprint will be required to recover these  
11          inefficiencies from ILEC and CLEC customers. Sprint  
12          urges this Commission to adopt its position that existing  
13          dark fiber should not be made available to MCI or any  
14          other CLECs.

15  
16        Q.    Does Sprint have any objections to providing MCI  
17              unbundled switching capabilities?

18  
19        A.    No.    Access to unbundled switching capabilities is  
20              required under the FCC Rules and Sprint has never  
21              objected to providing such capabilities.

22  
23        Q.    MCI states that Sprint has refused to provide access to  
24              call-related databases. Is that an accurate statement?

1       A.    No, it is not.    Sprint has never refused to provide  
2            access to call-related databases.    Further, the FCC Rules  
3            require such access to call-related databases be provided  
4            as an unbundled network element.  
5  
6        Q.    MCI states that it wishes to purchase unbundled advanced  
7            intelligent network (AIN) capabilities but that Sprint  
8            has not deployed such a network.    Can you comment on  
9            that?  
10  
11       A.    As MCI correctly states, Sprint currently does not have  
12            the AIN capability requested by MCI.    Sprint believes  
13            that requests for AIN capability, when available, should  
14            be handled via a bona fide request process at the time  
15            such capability is deployed and available in Sprint's  
16            network.    MCI has agreed in principle to remove this  
17            issue from the proposed contract, and it should not be  
18            addressed in this arbitration proceeding.  
19  
20        Q.    MCI states that it requires access to unbundled  
21            operations support systems.    Can Sprint provide that  
22            capability?  
23  
24        A.    Not at the current time.    Sprint has asked the FCC to  
25            reconsider its requirement for electronic bonding, or the



1 direct interface with operating support systems, by  
2 January 1, 1997. While Sprint agrees conceptually that  
3 such access is ultimately needed for CLECs to compete,  
4 existing operating support systems are not designed to  
5 allow third party access. Sprint believes that industry  
6 standards should be developed to maximize efficiencies  
7 and that ILECs should have 12 months after development of  
8 industry standards to implement operational interfaces.  
9 Should MCI require interim interfaces, Sprint is willing  
10 to work with MCI on the development of such interfaces.  
11 However, Sprint expects that the costs of such  
12 development should be recovered from MCI, provided the  
13 interfaces are developed solely for MCI, or if developed  
14 as interim solutions for the industry, should be  
15 recovered in a competitively neutral manner from all  
16 carriers deriving a benefit.

17  
18 Q. Mr. Martinez, on pages 11 and 12 of his Direct Testimony,  
19 indicates that MCI should have on line real time access  
20 to the customer's Sprint customer service record (CSR)  
21 where the customer has authorized MCI to have such  
22 information.

23  
24 A. Sprint agrees that when MCI provides Sprint a customer's  
25 authorization to allow access to the customer's record,

1 Sprint will provide the information to MCI. However, at  
2 this time, as with other electronic bonding requests, the  
3 standards and procedures necessary to begin developing  
4 this capability have not been established. Sprint will  
5 provide the information on an interim basis via a jointly  
6 agreed-to procedure.

7  
8 USE OF UNBUNDLED ELEMENTS IN COMBINATION

9  
10 Q. MCI states that it wishes to use unbundled elements in  
11 combination. Has Sprint ever asserted that MCI may not  
12 do that?

13  
14 A. No. In fact, unbundled elements generally must be  
15 combined with other elements to be functional.  
16 Additionally, the FCC Rules in Section 51.315 allows for  
17 such combination of unbundled elements.

18  
19 PRICING OF UNBUNDLED ELEMENTS

20  
21 Q. MCI states that unbundled elements must be priced at  
22 TSLRIC. Do you agree?

23  
24 A. No. As I noted earlier, the Commission has discretion in  
25 selecting a pricing methodology. The FCC's pricing rules

1           have been stayed by the Court.

2

3       Q.    What standard should the Commission employ to set prices  
4           for unbundled elements?

5

6       A.    The Commission should employ the TELRIC standard  
7           notwithstanding the stay, with an allowance for the  
8           recovery of a portion of Sprint's shared and common  
9           costs.    The testimony of Randy G. Farrar provides a  
10          complete description of the TELRIC methodology.

11

12       Q.    Does Sprint agree with MCI's 10% common cost recovery as  
13           discussed on page 27 of Mr. Cabe's testimony?

14

15       A.    No, Sprint is submitting with Mr. Farrar's Direct  
16           Testimony a description of its shared and common  
17           (overhead) cost recovery methodology which should be  
18           utilized as the appropriate basis for recovery of these  
19           costs.    The actual study is still under development and  
20           will be filed when available.

21

22       Q.    What is Sprint proposing in regards to the pricing of  
23           unbundled elements?

24

25       A.    Sprint is providing in the testimony of Mr. Farrar the

1 costing methodology for unbundled elements. Sprint has  
2 not completed the final cost studies and resultant prices  
3 at this time. Pricing will be made available upon  
4 completion of studies.

5

6 ALL SERVICES MUST BE AVAILABLE FOR RESALE

7

8 Q. MCI states that Sprint has refused to allow it to resell  
9 Sprint's promotional service offerings. Is that true?

10

11 A. No. Sprint has agreed to allow the resale of promotional  
12 offerings in effect for more than 90 days at a wholesale  
13 rate. Additionally, Sprint will allow the resale of  
14 promotional offerings of less than 90 days at retail  
15 rates. This position is fully consistent with the FCC  
16 Rules in Section 51.613, which was not stayed by the  
17 Court.

18

19 Q. MCI similarly asserts that Sprint refuses to offer Voice  
20 Mail, Inside Wire Maintenance and Calling Cards for  
21 resale. Is that correct?

22

23 A. Yes. Voice mail and inside wire maintenance are not  
24 telecommunications services per the definition contained  
25 in the Act and thus are not required to be offered by

1 ILECs for resale. Sprint is unclear as to what MCI is  
2 asking for with regards to calling cards. The only issue  
3 that has been discussed is whether Sprint will allow use  
4 of its calling cards after a customer has chosen MCI as  
5 their local service provider. Sprint believes that it no  
6 longer has a business relationship with the end user of  
7 a CLEC and as such will deactivate the card coincident  
8 with the disconnection of Sprint's local service. This  
9 position is entirely consistent with MCI's position on  
10 IXC PIC changes where MCI maintains (and Sprint agrees)  
11 that the end user is a customer of MCI and prefers that  
12 Sprint not maintain a business relationship with their  
13 end user.

14

15 Q. MCI asserts that Sprint will not offer for resale volume  
16 and term discounts. Is that correct?

17

18 A. No, it is not. Sprint will not offer volume or term  
19 discounts for resold services in quantities or durations  
20 less than the company offers to its own customers.  
21 However, if MCI is willing to accept the same volume or  
22 term, Sprint will offer them at wholesale prices.

23

24 Q. Will Sprint offer Lifeline and LinkUp services for  
25 resale?

1 A. No, Sprint will provide MCI and other CLECs with the  
2 resale of basic residential service that, they in turn,  
3 can provide to end users who qualify for Lifeline and  
4 LinkUp programs. Again, as with calling cards, this  
5 affords MCI the ability to maintain the business  
6 relationship with the end user in the certification of  
7 the end user's qualification for such services.

8

9 PRICES FOR RESOLD SERVICES MUST REFLECT AVOIDED COSTS

10

11 Q. Do you agree that Sprint's prices for resold services  
12 must reflect avoided costs?

13

14 A. Yes. Sprint believes that the prices for resold service  
15 should reflect the avoided costs net of the incremental  
16 costs of providing wholesale services to MCI. Sprint has  
17 developed an avoided cost methodology and study which is  
18 supported by the testimony of Mr. Farrar.

19

20 Q. MCI argues that if an avoided cost study is not  
21 available, then a default discount level of 25% should be  
22 employed. Do you agree?

23

24 A. No, I do not. The FCC range upon which MCI relies has  
25 been stayed by the Court. Secondly, Sprint is providing

1 an avoided cost study in this proceeding, which study  
2 should be the basis for a permanent discount level.  
3 There simply is no need to adopt an interim discount  
4 level when Sprint has completed and provided an actual  
5 study in this proceeding. The avoided cost study and  
6 methodology are provided in Mr. Farrar's testimony and  
7 exhibits.

8  
9 Q. How many categories of service discounts does Sprint  
10 recommend?

11  
12 A. Sprint advocates in the Direct Testimony of Mr. Farrar  
13 five retail service groups; 1) simple access - single  
14 line business and residence services, 2) complex access -  
15 multiline accounts, e.g., Centrex, Key and PBX, 3)  
16 features - custom calling, CLASS and Centrex features, 4)  
17 operator and directory assistance services, and 5) other  
18 - all other retail services; e.g., private line,  
19 intraLATA toll. These service groups allow CLECs to  
20 purchase ILEC services at wholesale rates which are more  
21 reflective of the underlying avoided costs of the  
22 services.

1           SPRINT MUST PROVIDE BRANDING OF SERVICES FURNISHED ON  
2           BEHALF OF MCI

3  
4       Q.   Will Sprint offer branding for operator services,  
5           directory services, as well as repair and intercept  
6           services?

7  
8       A.   Sprint will, upon request, brand its operator and  
9           directory assistance services as MCI at the cost of  
10          providing the services when technically feasible to  
11          provision MCI's branding request. If Sprint is unable to  
12          brand for the CLECs, Sprint will unbrand its own operator  
13          and directory assistance services. However, where  
14          technically feasible, Sprint will brand on a first-come,  
15          first-serve basis for all competitors until it has  
16          reached the point where there is only room to brand for  
17          one more competitor. At that point, an unbranded option  
18          should be available for all additional competitors. This  
19          is a reasonable outcome that protects against any ILEC  
20          retaining an unreasonably discriminatory branding  
21          advantage.

22  
23       Sprint will provide installation, maintenance, repair and  
24       related documents on an unbranded basis for MCI.  
25       However, Sprint will not repaint its trucks or change



1 employee uniforms to remove the Sprint name.

2

3 Q. MCI states that Sprint's requirement of a bona fide  
4 request for rebranding operator services and DA is an  
5 improper restriction on resale. Do you agree?

6

7 A. No. Section 51.613 of the FCC Rules state that "failure  
8 by an incumbent LEC to comply with reseller unbranding or  
9 rebranding requests shall constitute a restriction on  
10 resale." Sprint has never objected to MCI's generic  
11 request for rebranding. However, to make the appropriate  
12 determination of technical feasibility, MCI will have to  
13 provide Sprint with a detailed request of where such  
14 rebranding is necessary. Sprint believes that such a  
15 detailed request is best handled via a bona fide request  
16 process. This simply does not constitute a failure by  
17 Sprint to comply with Section 51.613 of the FCC Rules;  
18 rather it is a necessary process to ensure that Sprint  
19 provides exactly what MCI wants.

20

21 REAL TIME ELECTRONIC INTERFACES

22

23 Q. MCI requests that the Commission arbitrate the details of  
24 the manner in which electronic bonding will be provided.  
25 Can you comment on this suggestion?

1       A.    Yes.    The subject of electronic bonding is extremely  
2            complex.  As I noted earlier, the FCC's January 1, 1997,  
3            deadline for real time access to operating systems is not  
4            attainable by Sprint.

5  
6            Without intending any disrespect to the Commission's  
7            capabilities, I think that MCI's request for this  
8            Commission to arbitrate the details of electronic bonding  
9            is disingenuous.  MCI and Sprint are both active  
10           participants in industry groups working on this very  
11           complex issue.  Sprint has every intention of working  
12           toward and implementing electronic bonding but believes  
13           that the details of such interfaces cannot feasibly be  
14           developed in this docket.  Sprint believes that the  
15           industry should continue to proceed with development of  
16           national standards and that Sprint should have twelve  
17           months to implement the industry standards when  
18           developed.

19  
20           Sprint agrees with MCI's witness Mr. Martinez that the  
21           states and the FCC should implement rules that require  
22           the industry to develop national standards.  However, the  
23           development of state and CLEC specific solutions would be  
24           inefficient and inordinately costly.  The January 1,  
25           1997, date is not attainable and Sprint urges this

1 Commission to adopt Sprint's position to implement  
2 electronic bonding twelve months after industry standards  
3 have been adopted.

4

5 QUALITY OF SERVICE STANDARDS MUST BE ESTABLISHED AND  
6 ENFORCED

7

8 Q. MCI notes that Sprint has agreed in principle to the  
9 establishment of performance metrics. Is that correct?

10

11 A. Yes, it is. We acknowledge the obligation to provide the  
12 same high level of service that our customers, including  
13 MCI, receive today to those CLECs who purchase unbundled  
14 features and resell our services. However, this  
15 Commission and the CLECs should understand that providing  
16 the same level of service, where additional work  
17 activities are necessary to provide a service to a CLEC's  
18 customer, may not always be possible.

19

20 Q. MCI proposes that Sprint compensate it (by a credit) for  
21 failure to provide service to it equal in quality to that  
22 which Sprint offers its own customers. Do you agree?

23

24 A. Sprint has proposed to treat MCI on the same basis as it  
25 treats its own customers. Sprint will provide waivers of

1 service connection charges and/or service credits per any  
2 tariffed service guarantee plan offered by Sprint in  
3 Florida.

4  
5 TRANSITIONAL RULES FOR INTEREXCHANGE CARRIER ACCESS MUST  
6 BE IMPLEMENTED PENDING FULL IMPLEMENTATION OF TSLRIC  
7 PRICING

8  
9 Q. MCI states that the Commission should not impose a  
10 transitional intrastate Carrier Common Line Charge or  
11 transport interconnection charge (TIC) on the unbundled  
12 switching charge. Does Sprint agree with this position?

13  
14 A. No. Sprint believes that it is entirely appropriate to  
15 bill the carrier common line charge and TIC if MCI  
16 purchases unbundled elements to which the charges would  
17 normally apply. Application of such charges are  
18 appropriate until such time as the Commission and/or FCC  
19 eliminates these charges via an access reform proceeding,  
20 rate rebalancing and/or universal service proceeding. So  
21 long as these subsidy elements continue in the access  
22 environment, Sprint should continue to receive the  
23 subsidy when CLECs purchase unbundled elements.

24  
25 Q. MCI also states that switched and special access charges

1 should be reduced "to comply with the Act." In your  
2 opinion, is this an issue for arbitration?

3

4 A. It clearly is not. The reduction of interstate and  
5 intrastate access charges should be addressed in access  
6 reform proceedings before this Commission or the FCC.

7

8 INTERIM LOCAL NUMBER PORTABILITY COSTS MUST BE RECOVERED  
9 ON A COMPETITIVELY NEUTRAL BASIS

10

11 Q. MCI seeks to have local number portability costs  
12 arbitrated in this proceeding. Do you agree?

13

14 A. No. The Commission has opened Docket No. 950737-TP to  
15 address number portability issues. Sprint agrees that  
16 the Commission's findings in that proceeding should  
17 determine the price that ILECs and CLECs should pay for  
18 interim local number portability.

19

20 Q. What is Sprint's position on the recovery of interim  
21 number portability costs?

22

23 A. Sprint's position is that interim number portability  
24 should be priced at TELRIC less a 55% discount to reflect  
25 the inferiority of interim number portability and to

1 provide an incentive for Sprint and other ILECs to deploy  
2 true number portability. This position reflects an  
3 approximately equal sharing of the costs of interim  
4 number portability between Sprint and the CLEC. In any  
5 event, this Commission has an on-going generic proceeding  
6 addressing interim telephone number portability pricing,  
7 and this issue should be deferred to that proceeding.

8  
9 INTERCONNECTION OF MCI'S LOCAL NETWORK WITH SPRINT'S MUST  
10 BE PERMITTED AT ANY TECHNICALLY FEASIBLE LOCATION AND  
11 COLLOCATION MUST BE PERMITTED ON REASONABLE TERMS AND  
12 CONDITIONS

13  
14 Q. MCI asserts that it must be allowed to interconnect with  
15 Sprint at any technically feasible point. Do you agree?

16  
17 A. Yes. The Act and FCC Rules require this.

18  
19 Q. MCI also states that it has requested the ability to  
20 allow Sprint provided services or unbundled elements to  
21 be connected at an MCI collocation space to any other  
22 facility provided by MCI, Sprint or any other party. Can  
23 you comment on this?

24  
25 A. Yes. Sprint will allow MCI to connect Sprint provided

1 services and unbundled elements to MCI's facilities at an  
2 MCI collocation point and to any other party as provided  
3 in paragraph 595 of the FCC Order.

4  
5 Q. MCI wishes to convert existing virtual collocation to  
6 physical collocation at Sprint's expense. Do you agree?

7  
8 A. No. Sprint does not understand MCI's inclusion of this  
9 issue in its Petition. MCI currently does not have any  
10 virtual collocation space with Sprint rendering this  
11 issue moot. Sprint filed an Expanded Interconnection  
12 tariff with the Commission on October 25, 1996 which  
13 states Sprint's position on conversion of virtual  
14 collocation to physical collocation that: 1) a charge  
15 equal to the difference between virtual and physical  
16 collocation application fees will be assessed for each  
17 conversion; and 2) the Interconnector shall also be  
18 responsible for any costs incurred by the Telephone  
19 Company during the conversion which exceed those normally  
20 incurred in the provision of physical collocation space  
21 for Expanded Interconnection.

22  
23 Q. MCI states that Sprint refused to allow the collocation  
24 of remote digital line units. Is that correct?

1       A.     Sprint filed a tariff with the Commission on  
2             October 25, 1996, which outlined its position on the  
3             placement of equipment for physical collocation.  
4             Specifically, Sprint allows the location of the following  
5             including, but not limited to : Optical Line Terminating  
6             Multiplexers, Central Office Multiplexers, Digital Cross  
7             Connect Panels, Optical Cross Connect Panels and Digital  
8             Loop Carrier. Additionally, the tariff states in Section  
9             E17.1.5.C(20) that "Should the Interconnector require the  
10            placement of integrated equipment (i.e., transmission and  
11            switching functionality), the Telephone Company will  
12            allow such placement upon certification by the  
13            Interconnector that, except for the purpose of providing  
14            multiplexing and/or signal aggregation functionality  
15            between the Telephone Company's network or unbundled  
16            network elements and the Interconnector's transmission  
17            facilities, the switching functionality will not be used  
18            and the device will be used only to terminate or  
19            aggregate basic transmission facilities." This position  
20            is fully supported by the FCC Rules, Section 51.323,  
21            which states that, "Nothing in this section requires an  
22            incumbent LEC to permit collocation of switching  
23            equipment or equipment used to provide enhanced  
24            services."

25



1                   TRANSPORT AND TERMINATION OF LOCAL TRAFFIC

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Q.   MCI states that rates for transport and termination of traffic should be set at TELRIC. Do you agree?

A.   Yes. As I discussed earlier, the FCC Rules imposing TELRIC costing on the states have been stayed. While the Commission is free to impose any lawful standard it may choose, Sprint believes TELRIC to be the appropriate standard. However, whatever standard the Commission ultimately adopts should be applied on a industry-wide, state-wide basis. In other words, Sprint will establish prices to CLECs based on the same costing methodology as other ILECs price their services to CLECs. Sprint's TELRIC methodology is discussed in detail in the testimony of Mr. Farrar.

Q.   MCI states that the Commission should utilize the results of the Hatfield model to set rates for transport and termination of traffic. Please comment on MCI's recommendation.

A.   Sprint has no comment on prices at this time, pending MCI's filing of the Hatfield study and results in this proceeding. Sprint reserves its rights to respond to

1 MCI's Hatfield study in Sprint's rebuttal testimony to be  
2 filed on November 19, 1996.

3

4 Q. With regard to call termination, what options are  
5 available to CLECs for interconnection?

6

7 A. For call termination CLECs have the option to  
8 interconnect at an end office or at a tandem switch,  
9 which in most cases will be an access tandem.

10

11 Q. Please describe what is meant by interconnection.

12

13 A. Interconnection refers to the physical linking of the  
14 networks. Interconnection may be accomplished via four  
15 alternatives. The alternatives are mid-span meet,  
16 virtual collocation, physical collocation and entrance  
17 facilities.

18

19 Q. Does Sprint place any restriction on the construction of  
20 interconnection facilities?

21

22 A. Yes. The ILEC, Sprint, should only be required to  
23 construct fifty (50) percent of the facilities or to  
24 Sprint's exchange boundary, whichever is less. MCI  
25 should be responsible for the constructing fifty (50)

1 percent of the facilities or to Sprint's exchange  
2 boundary, whichever is greater. This recognizes that  
3 Sprint has no control over where MCI places its switch  
4 and Sprint should be responsible only for facilities to  
5 its exchange boundary. By way of example, if MCI locates  
6 its switch 25 miles from Sprint's switch and the distance  
7 from Sprint's switch to its exchange boundary is 10  
8 miles, Sprint will provision 10 miles of facilities while  
9 MCI will provision 15 miles. Compensation between the  
10 two companies will be based on these respective mileages  
11 and relative usage on each other's network.

12

13 Q. What are the appropriate network elements associated with  
14 call termination at the tandem switch?

15

16 A. There are three network elements utilized for call  
17 termination at the tandem switch; tandem switching,  
18 transport (the transmission facilities between the access  
19 tandem and the end office) and end office switching.

20

21 Q. What are the appropriate network elements associated with  
22 call termination at the end office switch?

23

24 A. The only charge to be applied when a CLEC connects at the  
25 end office switch for call termination is the end office

1 switching element.

2

3 Q. Should call termination compensation be reciprocal and  
4 symmetrical?

5

6 A. Yes, where both the CLEC and ILEC provide the same or  
7 equivalent call termination functionality the same  
8 compensation rates should be applicable. However, where  
9 a CLEC interconnects at the ILEC tandem and does not  
10 provide the equivalent tandem switching and transport  
11 functions, the ILEC should not be required to pay the  
12 CLEC the tandem switching and transport rate elements.  
13 This position has been supported by the Commission Staff  
14 in their recommendation in Docket No. 960838-TP (Sprint  
15 and MFS Arbitration proceeding), dated October 18, 1996,  
16 where they state, "Staff agrees with Sprint that Section  
17 51.701(c) requires equal compensation only when MFS  
18 provides the equivalent facility to that provided by  
19 Sprint". On November 1, 1996, the Commission voted to  
20 accept Staff's recommendation. Additionally, the Staff  
21 relies on the FCC Order, in paragraph 1090, which allows  
22 states to establish transport and termination rates in  
23 the arbitration process that vary according to whether  
24 the traffic is routed through a tandem switch or directly  
25 to the end-office switch. Thus, unless MCI is performing

1 both tandem and end office functionality, Sprint should  
2 not be required to provide compensation on the tandem  
3 switching and transport elements of call termination.  
4 The Staff Recommendation also states that, "The Act does  
5 not contemplate that the compensation for transporting  
6 and terminating local traffic be symmetrical when one  
7 party does not actually use the network facility for  
8 which it seeks compensation". The burden of proof should  
9 be on MCI to certify to this Commission and/or Sprint  
10 where such tandem and end office functionality exists in  
11 their network.

12

13 OTHER TECHNICAL, OPERATIONAL AND ADMINISTRATIVE ISSUES

14

15 Q. MCI wants assurance that Sprint will communicate with it  
16 regarding appropriate information on service changes.  
17 Will Sprint do that?

18

19 A. Yes. As required by the Act, Sprint will cooperatively  
20 work with MCI to provide advance notification of  
21 information on service changes that might impact MCI.  
22 Sprint presently provides MCI, the IXC, relevant network  
23 information to assist them in their network planning.  
24 Sprint believes that the two companies can agree to a  
25 mutually acceptable time frame and manner of

1 notification.

2

3 Q. MCI insists that any PIC changes authorized by its  
4 customers that involve resold Sprint service be accepted  
5 by Sprint only from MCI. Do you agree?

6

7 A. Yes. Sprint agrees with MCI that PIC changes for  
8 customers utilizing MCI as their local service provider  
9 should be accepted by Sprint only from MCI. When an end  
10 user chooses a CLEC as their local service provider,  
11 total service responsibility for the end user customer  
12 lies with the local service provider either in resale or  
13 a facility based environment. Total service  
14 responsibility includes the management of the PIC change  
15 with the IXCs.

16

17 Q. MCI states that while Sprint acknowledges the obligation  
18 to provide access to Sprint's rights of way, poles, ducts  
19 and conduits, Sprint insists that it reserve five years'  
20 capacity. Is that correct?

21

22 A. No, it is not. Sprint has never, in any discussions or  
23 negotiations with MCI, stated an intention or insisted on  
24 the right to reserve capacity for five years. Sprint's  
25 position is that it will provide equal and

1 nondiscriminatory access to rights of way (ROW) on terms  
2 and condition equal to that provided to itself or any  
3 other party. Further, Sprint will not preclude or delay  
4 allocation of ROW to CLECs because of the potential need  
5 of itself or of other parties, except as a maintenance  
6 spare, which may be retained for Sprint facilities  
7 deployment within six (6) months of the date of the  
8 formal CLEC request. However, if Sprint allows a CLEC to  
9 use ROW that is currently planned to be used for Sprint  
10 facilities deployment within a three year engineering  
11 window of the date of the CLEC's request for the ROW; and  
12 subsequently Sprint must deploy facilities requiring the  
13 ROW within the three year engineering window; Sprint  
14 reserves the right to charge the CLEC for any facility  
15 upgrade needed to expand the capacity for Sprint's  
16 originally planned needs and allow CLEC to retain its use  
17 of the ROW.

18  
19 Q. Will Sprint provide billing for unbundled network  
20 elements in a CABS format?

21  
22 A. Yes. Sprint has agreed to work towards providing billing  
23 to MCI in the requested format. Until functional and  
24 contractual requirements are fully defined and necessary  
25 billing system and network software modifications are

1 implemented, an interim arrangement is required by  
2 Sprint. In this interim period, Sprint will provide MCI  
3 billing in a industry standard EDI format from its  
4 Customer Record and Billing (CRB) system. Sprint expects  
5 that the transition to the CABS format will be completed  
6 early in the third quarter of 1997.

7  
8 Q. MCI states that it must have engineering records for  
9 unbundled facilities. What is Sprint's position?

10  
11 A. MCI has not provided sufficient level of detail or  
12 exactly what engineering records they are requesting.  
13 Sprint is committed to providing any non-proprietary  
14 records in parity with Sprint's own internal use of such  
15 records. I believe this issue can be resolved by the  
16 parties once MCI provides a detailed request of the  
17 information requested.

18  
19 Q. MCI wants the right to obtain directories with customized  
20 covers for MCI customers. Do you concur?

21  
22 A. Sprint has no issue with MCI's request other than Sprint  
23 has no control over MCI's ability to obtain customized  
24 covers for MCI's customers. This is an issue that MCI  
25 must address with the directory publishers.



1 Q. Does Sprint agree to provide dialing parity without  
2 unreasonable delay?

3

4 A. Yes, Sprint agrees to provide dialing parity without any  
5 unreasonable delay. The parties have reached agreement  
6 in principle and I am confident that appropriate  
7 contractual language can be reached.

8

9 Q. Will Sprint provide telephone numbers on the same basis  
10 it provides numbers to itself?

11

12 A. Since Sprint is not a Central Office Code Administrator,  
13 Sprint is not in the position to provide code assignments  
14 to MCI. The issue of code assignment should not be  
15 arbitrated in this proceeding.

16

17 Q. In MCI's Petition, there is a section on General Terms  
18 and Conditions of the Agreement. Does Sprint agree with  
19 MCI's representations in this section?

20

21 A. MCI's language in this section is very ambiguous and  
22 lacks any specificity to which Sprint can respond.  
23 Sprint reserves its right to provide further comments on  
24 this section.

25

1 Q. MCI asserts that Sprint wishes to maintain billing  
2 records for collect and third party calls using resold  
3 Sprint services. What is your position?

4  
5 A. This has never been Sprint's position and Sprint agrees  
6 with MCI's position in their Petition.

7  
8 Q. Does this conclude your testimony?

9  
10 A. Yes, it does.

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FCC RULES STAYED BY THE COURT

Section 51.501 - 51.515 (Subpart F-Pricing of Unbundled Elements)

|        |   |
|--------|---|
| 51.501 | Scope   |
| 51.503 | General Pricing Standard                          |
| 51.505 | Forward-looking Economic Cost                     |
| 51.507 | General Rate Structure Standard                   |
| 51.509 | Rate Structure Standards For Specific<br>Elements |
| 51.511 | Forward-looking Economic Cost Per Unit            |
| 51.513 | Proxies For Forward-looking Economic Cost         |
| 51.515 | Application of Access Charges                     |

Section 51.601-51.611 (Subpart G - Resale)

|        |  |
|--------|--|
| 51.601 | Scope of Resale Rules  |
| 51.603 | Resale Obligation of All Local Exchange<br>Carriers            |
| 51.605 | Additional Obligations of Incumbent<br>Local Exchange Carriers |
| 51.607 | Wholesale Pricing Standard                                     |
| 51.609 | Determination of Avoided Retail Costs                          |
| 51.611 | Interim Wholesale Rates  |

Sections 51.701-51.717 (Subpart H - Reciprocal Compensation for  
Transport and Termination of Local Telecommunications Traffic

- 51.701 Scope of Transport and Termination Pricing Rules
- 51.703 Reciprocal Compensation Obligation of LECs
- 51.705 Incumbent LECs' Rates for Termination and Termination
- 51.707 Default Proxies for Incumbent LECs' Transport and Termination Rates
- 51.709 Rate Structure for Transport and Termination
- 51.711 Symmetrical Reciprocal Compensation
- 51.713 Bill-and-keep Arrangements for Reciprocal Compensation
- 51.715 Interim Transport and Termination Pricing
- 51.717 Renegotiation of Existing Non-reciprocal Arrangements

Section 51-809 - Availability of Provisions To Other Telecommunications Carriers Under Section 252(I) of the Act

MCI/SPRINT NEGOTIATIONS  
CHRONOLOGY OF EVENTS

1. MCImetro letter to Sprint, dated May 6, 1996, requesting negotiations (received May 10, 1996).
2. MCImetro letter to Sprint, dated May 10, 1996, confirming initial meeting and providing first version of MCI term sheet.
3. Sprint letter to MCImetro, dated May 20, 1996, acknowledging commencement of negotiations. Confirmed meeting to be held in Virginia May 30. Acknowledged receipt of the MCImetro term sheet. Provided Sprint's Essential Elements for the Competitive Checklist and Sprint's comments in FCC 96-98.
4. Meetings held in Kansas City on June 6 and 7 to discuss the MCI term sheet. The primary meeting included Sprint and MCI subject matter experts to discuss the term sheet. A separate meeting was conducted between Sprint's and MCI's cost persons to discuss general approaches to cost studies and methodologies.
5. Sprint letter to MCImetro, dated June 11, 1996, providing Sprint's term sheet.
6. Sprint letter to MCImetro, dated June 25, 1996, providing revised and updated status of the items contained in MCI's term sheet.
7. July 10, 1996, meeting in Vienna, Virginia to further discuss the MCI term sheet. This was the last direct discussion of the term sheet document.
8. Sprint letter to MCI metro, dated August 14, 1996, providing the Sprint contract as it then stood, but without modifications due to the FCC order.
9. September 5: Executive level conference call to discuss where we stood pursuant to negotiations, impacts of the FCC order, and plan for further negotiations.
10. MCI letter to Sprint, dated September 5, 1996, providing the first draft of the MCImetro/ILEC Interconnection Agreement 1996. Received September 6. Requesting our initial comments week of September 16, and face-to-face meeting week of September 23.



RESALE AND  
INTERCONNECTION  
AGREEMENT

SEPTEMBER 24, 1996

This Agreement represents the positions of the Sprint operating telephone companies with respect to interconnection. Sprint reserves the right to modify these positions based upon further review of existing orders from or the issuance of additional orders by the Federal Communications Commission.

**MASTER NETWORK  
INTERCONNECTION AND RESALE AGREEMENT**

This Agreement is between \_\_\_\_\_ (“Carrier”) and \_\_\_\_\_ (“Company”) hereinafter collectively, “the Parties”, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1996, for the State of \_\_\_\_\_.

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”) as well as terms for resale of Company’s services;

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 Communications Act of 1934, as amended by 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 their successors, that conducts research and/or 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 and technologies.
5. **Bill and Keep** - means a form of mutual reciprocal 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 between mobile stations or receivers and land stations, or 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.
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 or person 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 (f)(1) and FCC regulations.
13. **Electronic Interfaces** means systems providing Company ordering and provisioning, trouble reporting and fault management, performance monitoring, network and traffic management, facility assignment and control functions. Such Electronic Interface shall provide information, operational and timeliness Parity and be provided pursuant to industry standards within twelve months after such standards have been established
14. **FCC** - means Federal Communications Commission.



15. **Incumbent Local Exchange Carrier ("ILEC")** - is any local exchange carrier that was as of February 8, 1996, deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. §69.601(b) of the FCC's regulations.
16. **Integrated Services Digital Network ("ISDN")** - means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.
17. **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 collocation and/or mid-span meet arrangements.
18. **Interexchange Carrier ("IXC")** - means a telecommunications service provider offering interexchange telecommunications services (e.g., inter- and/or intraLATA toll).
19. **Meet-Point Billing** - means an arrangement whereby two local service providers (including an 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.
20. **Most Favored Nations ("MFN")** - shall have the meaning set forth in Section XVI.
21. **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 is published 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 LATA.
22. **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.
23. **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.

24. **Parity** - means non-discrimination and equality in status. Parity is applicable to, among other issues, electronic access, information availability, network operational characteristics, and response time and/or installation activity, between functions the Company performs for itself and functions it performs for/or makes available to Carrier.
25. **Physical Collocation** - shall have the meaning set forth 47 C.F.R. § 51.5.
26. **Rebranding** - occurs when Carrier purchases a wholesale service from Company when the Carrier brand is substituted for the Company brand.
27. **Telecommunications Services** - shall have the meaning set forth in 47 USC §153(6).
28. **Total Element Long Run Incremental Cost ("TELRIC")** - means the incremental costs of an entire product (e.g., all the costs directly caused by providing an interconnection service, a network element, or some other product. TELRIC includes service-specific fixed costs (e.g., costs that do not change with changes in output), volume sensitive costs (those that are caused by changing the volume of output) and a reasonable allocation of forward-looking joint and common costs. In more precise terms, TELRIC 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.
29. **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.
30. **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. Virtual collocation does not include switching equipment.
31. **Virtual Collocation** - shall have the meaning as set forth in 47 C.F.R. § 51.5.
32. **Wholesale Service** - means any regulated Telecommunication Services that Company provides at retail to subscribers who are not telecommunications carriers as set forth in 47 USC §251(c)(4).

33. **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.

## 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 or Commission Order 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 make any required tariff modifications.

## III. RESALE OF LOCAL SERVICES

- A. Company shall not place conditions or restrictions on Carrier's resale of wholesale regulated Telecommunications Services, except for restrictions on the resale of residential service to other classifications (e.g., residential service to business customers). Every regulated retail service rate, including promotions over 90-days in length, discounts, and option plans will have a corresponding wholesale rate.
- B. Company will make wholesale telecommunications service offerings available for all new regulated services at the same time the retail service becomes available.
- C. Company will continue to provide existing databases and signaling support for wholesale services at no additional cost.
- D. Company will make any service grandfathered to an end-user or any Individual Case Basis ("ICB") service available to Carrier for resale to that same end-user at the same location(s).
- E. Company will provide at a minimum 30-days advance notice to Carrier of changes in or discontinuation of any product or service that is available for resale hereunder.
- F. Company will continue to provide Primary Interexchange Carrier ("PIC") processing for those end-users obtaining resold service from Carrier. Company will bill and Carrier will pay any PIC change charges.

- G. Company shall allow Carrier customers to retain their current telephone number.
- H. Company shall install Carrier customers as quickly as it installs its own end-users and shall provide Parity in quick installation programs such as "warm line" programs.
- I. **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 IXCs 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 or other agreed upon format;
    - b. Where local usage charges apply, the local usage at the call detail level in standard EMR/EMI industry format will be exchanged daily or at other mutually agreed upon intervals;
    - c. The Parties will work cooperatively to exchange information to facilitate the billing of in and out collect and inter and intra region alternately billed messages;
    - d. Company agrees to provide information on the end-user's selection of special features (e.g., billing method, special language); and
    - e. Company agrees to provide billing information for casual callers.

J. **Compensation.**

1. All Company retail Telecommunications Services, pursuant to 47 USC §251(c)(4) shall be available for resale at wholesale prices. Pricing shall be developed based on 47 USC §252(d)(3) where wholesale prices are retail prices less avoided costs, net of any additional costs imposed by wholesale operations. The wholesale rate shall be, until such time as avoided cost studies in compliance with the FCC's avoided cost methodology in FCC Rules 51.607 and 51.609 have been approved, an interim rate as approved by the appropriate state commission within the 17% - 25% discount range. Upon the approval of a permanent rate by a state commission the permanent rate shall apply. If Company has available by contract or otherwise a lower rate, that rate shall be available to Carrier.

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 local exchange and/or toll services, or equivalent elements to any other CLEC on a MFN basis. Company agrees to provide Carrier with information concerning the terms and conditions available to all such Parties upon request. If Company makes any non cost-based volume or term rate available to any other Carrier, such rate shall be available to Carrier without regard to volume, term or other conditions imposed by Company.

#### **IV. PROVISIONING AND INSTALLATION - RESALE**

##### **A. Order Processing.**

1. The Company will meet Carrier's ordering needs and, if necessary, establish a dedicated CLEC ordering center.
2. All ordering process and systems Company utilizes shall provide Carrier with Parity treatment.
3. Electronic Interfaces for the exchange of ordering information will be adopted and made available using any industry standard order formats and methods that are developed. Electronic interfaces should be established to provide access to the Company systems. In the absence of industry standards, interim electronic access to Company systems shall be established as indicated on Exhibit 1.
4. Carrier and the Company will adopt an industry standard service order/disconnect order format.
5. Carrier and Company may order Primary Local Carrier ("PLC") and Primary Interexchange Carrier ("PIC") record changes using the same order process and on a unified order.
6. No Letter of Agency ("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 and verification as required by FCC and Commission rules.
7. Each Party will provide the other, as agent of the end-user customer, at the time of the PLC order, current "As Is" pre-ordering/ordering 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.

8. As appropriate, the new PLC shall provide confirmation of installation change activity to the former PLC. Company will provide Electronic Interfaces to Company's customer record information systems and the Parties will establish a mechanism for periodic reconciliation between their system(s) and Carrier's customer records database.
9. 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. Until such time as Company establishes an on-line Electronic Interface with Carrier which facilitates real-time number assignment, company will provide blocks of numbers, where possible, sufficient to satisfy Carrier's projected numbering resource demand.
10. Company shall provide Carrier the ability to order all available features on its switches (e.g., call blocking of 900 and 976 calls by line or trunk). Additionally, Company shall provide high usage reports, as required by any Commission, so that Carrier may provide any regulatory required high usage reports to its end-users.
11. Company will provide Electronic Interfaces and 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.), Order completion with all service order and time-and-cost-related fees, rejections/errors on service order data element(s), jeopardy against the due date, missed appointments, additional order charges (construction charges), order status, valid 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.
12. Company will provide Carrier the Electronic Interfaces to schedule installation appointments with the customer on-line and access to the Company's schedule availability.
13. The Company will direct customer to Carrier for requests changing their Carrier service.
14. The Company shall process all PIC changes provided by Carrier on behalf of IXCs. If PIC changes are received by Company directly from IXCs, Company shall reject the PIC change back to the IXC with the OCN of Carrier in the appropriate field of the industry standard CARE record.
15. Company shall cooperate with Carrier, before Carrier offers commercial service, in testing all electronic ordering, provisioning, maintenance, billing and other Electronic Interfaces and internal systems to insure accurate and timely installation and billing occurs. Company shall use its best efforts to provide adequate and timely testing and to cure any system defects discovered through such testing.

16. Company shall notify Carrier within one business day of any change in carrier when a carrier submits an order to Company that results in disconnection or reassignment of Company facilities or services (resale or unbundled elements) previously used by Carrier (i.e. disconnection of Carrier's service).

## V. NETWORK INTERCONNECTION

- A. All interconnection arrangements offered by Company to Carrier shall provide Carrier with network Parity. Carrier shall interconnect with Company's facilities as follows for the purpose of routing or terminating of traffic:
  1. In each Company local calling area in which Carrier chooses to offer local exchange service, Carrier may interconnect its network facilities at any one or more technically feasible point(s) of interface within Company's network including: (a) at Company access tandem(s); (b) end office switch(es); 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 areas, additional POIs in each local calling area will be established by Carrier 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 tandem(s) will provide Carrier local interconnection for local and toll access service purposes to the Company end offices and NXX's which interconnect with that tandem(s) either directly or through other Company facilities for local and toll service purposes, and to other companies which are likewise connected to that tandem(s). Interconnection to a Company tandem for transit purposes will provide Carrier interexchange access to Company, Interexchange Carriers ("IXCs"), CLECs, ILECs, and CMRS providers which are connected to that tandem. Where a Tandem Switch also provides End-Office Switch functions, interconnection to a Company 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 provided as required for interconnection and routing to such ancillary services.
  5. If requested by Carrier, Company will, subject to technical feasibility, establish additional POI arrangements including, but not limited to, any of the following interconnection methods:

- a. a physical collocation 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 collocation 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 infeasible, 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 collocation space and/or equipment from Company for purposes of interconnection under this Agreement, Carrier shall have MFN rights to lease under non-discriminatory tariff or contract terms from Company equal to the most favorable terms, including rates 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. Company generally agrees to provide new collocation arrangements no later than 90 days after Carrier's written request. Company shall use its best efforts to meet a 90 day Installation interval. A full explanation of any delays past the 90 day period shall be provided by Company.
8. Company shall interconnect with Carrier facilities at the POIs designated in Appendix 1 as modified and updated from time to time. Company shall interconnect with Carrier under prices, terms and conditions no less favorable, than those available on an element by element basis to other parties. Carrier may adopt any price, term or condition available to another Party on an MFN basis in place of any other price, term or condition otherwise applicable herein.
9. With the exception of those provisions which apply only to ILECs under the Act, the provisions of this Section V. A. shall apply to Company's interconnection to Carrier's network for the purpose of routing all the types of traffic.



- 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 Parties will provide percentage of jurisdictional use factors (e.g., CMRS, local, interstate access) or actual measurement of jurisdictional traffic.
  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 64 KBPS 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.

## VI. PROVISIONING AND INSTALLATION - INTERCONNECTION

### A. Order Processing.

1. Either Party is responsible for ordering facilities to terminate traffic to the other Party.
2. When two-way trunking is employed, the Parties will select a mutually agreeable automated ordering process.
3. The parties shall establish appropriate ordering/provisioning codes for each identified service, unbundled element and unbundled element combination.

4. 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.
5. 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.
6. Within 48 hours of any disconnect, the Company will notify Carrier of the disconnect of any Carrier unbundled element/combination/service.
7. 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 at Carrier's expense or non-branded. Company shall not market its services during such calls.
8. Company shall provide the ability for Carrier to mechanize test or, notwithstanding anything to the contrary in this agreement, will test all elements/combinations.
9. Company will provide a system to identify essential Carrier circuits, trunks and elements for expedited restoral purposes.

B. 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.
  - a) 2. Exchange access meet point billing arrangements will be made available to Carrier as a CLEC. The Company shall be responsible for provisioning 50% of the interconnection facilities or to the Company wire center boundary, whichever is less. Carrier shall be responsible for provisioning 50% of the interconnection facilities or to the Company wire center boundary whichever is greater.
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. Exchange of Records.
  - a. The Company and Carrier will exchange the appropriate records to bill exchange access charges to the IXC.

- b. The Company agrees to capture inward terminating call records and send them to Carrier in an agreed upon industry standard format (e.g., EMR).
  - c. 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")).
6. Company agrees to exchange test files to support implementation of meet point billing or other access billing prior to live bill production.
  7. 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.

## VII. 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.
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 Electronic Interfaces at Parity for read and write access to the Company's maintenance and trouble report systems including the following systems and/or functionality:
  - 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 - access must be "real-time".
6. Notice of Network Event. Each Party has the duty to alert the other to any network events that can result or have resulted in service interruption, blocked calls, or negative changes in network performance affecting more than one percent of either Party's circuits 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. The Parties must work cooperatively to plan and implement coordinated repair procedures for local interconnection trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner.
  10. The Company shall provide Parity 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.
  11. A non-branded, customer-not-at-home card shall be left by Company at the customer's premises when a Carrier customer is not at home for an appointment and Company performs repair or installation services on behalf of Carrier.
  12. The Company will ensure that all applicable alarm systems that support Carrier customers are operational and the support databases are accurate. The Company will respond to Carrier customer alarms consistent with how and when they respond to alarms for their own customers.
  13. Carrier shall receive prior notification of any scheduled maintenance activity performed by the Company that may be service affecting to Carrier local customers (e.g., cable throws, power tests, etc.).

**B. Transfer of Service Announcements.**

When an end-user 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 90 days (or some shorter reasonable period when numbers are in short supply), 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 the 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. To the extent Company receives repair or business office contact through N11 dialing, Company will, at the time the next directory for the area is released, switch to a 7-digit or 10-digit number or immediately undertake efforts to route N11 calls by Carrier customer 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 national security and emergency

preparedness circuits will be afforded expedited restoral treatment and general trunking and interconnection should take priority over any other non-emergency Company network requirement.

**E. Service Projections.**

Carrier shall make available to Company periodic service projections, as reasonably requested, including 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 Parity in provisioning, repair and maintenance support 7 days a week, 24 hours a day, subject to the provisions herein regarding Electronic Interfaces.
2. Company shall provide Carrier with at least the same intervals and level of service provided by Company to its 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 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 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. In those instances where new collocation arrangements are required, a 90 day installation target applies.
7. Carrier and Company shall negotiate a process to expedite network augmentations and other orders when requested by Carrier.
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.

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; and
  - f. Standard interfaces at Parity.
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 under 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.
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.
6. Company shall provide detailed descriptions 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.
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 Carrier with its 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.

## VIII. UNBUNDLED NETWORK ELEMENTS

### A. General Requirements.

Company will unbundle and separately price and offer the following eight network elements such that Carrier will be able to subscribe to 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, e.g., two-wire or four-wire facilities from the 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 including cross-connects to either other unbundled elements or Carrier's facilities;
2. Local Switching, e.g., the ability to switch calls from one line to another, or from a line to a trunk including all features and functions, connection to the MDF or trunk cross-connect, and switch card;
3. Tandem Switching, e.g., trunk-to-trunk connections including all features and functions such as recording and customized routing;
4. Interoffice Transmission Facilities, e.g., transmission of Carrier traffic on , either dedicated or common facilities, between Company and/or Carrier offices and/or a location designated by Carrier;
5. Signaling and Call-related Databases, e.g. SS7 signaling links and Signal Transfer Point ("STP") access, call related databases (such as, Line Information Database, Toll Free Calling Database and Number Portability Database), signaling systems, AIN database



- access through local switching purchase or SS7 interconnection and access to Service Management Systems;
6. Network Interface Device;
  7. Operator Services, e.g. unbundled local operator service with custom routing to facilitate Carrier branding and price quotation where technically feasible;
  8. Directory Assistance, e.g. local directory assistance services with custom routing to facilitate Carrier branding where technically feasible and unbundled sale of the database for inclusion in Carrier DA centers; and
  9. Operations Support Systems, e.g. including seamless Electronic Interfaces with systems providing Company ordering and provisioning, trouble reporting and fault management, performance monitoring, network and traffic management, facility assignment and control functions. Such Electronic Interface shall provide information, operational and timeliness Parity and be provided pursuant to industry standards within twelve months after such standards have been established and notwithstanding anything to contrary elsewhere in this agreement, via reasonable agreed upon interim measures before final industry standards have been implemented. Carrier recognizes Company's right to seek waivers of any FCC mandated electronic interface availability requirements and this agreement is expressly subject to any modification of the availability of electronic interfaces ordered by the FCC. However, if an electronic interface is made available by Company to any Carrier, Company shall make a similar appropriate interface available to Carrier.

Additionally, Company will, upon receipt of a bona fide written request, specifying a desired activation date, further unbundle the elements identified above into sub-elements as follows (for illustrative purposes only and not by way of limitation) in identified local exchange(s). Upon submission of a written request from Carrier for additional sub-element unbundled network elements, Company shall have 45 days from the receipt of the written request 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 place an order, then Carrier shall pay the actual costs incurred by Company in responding to the request.

Company will upon receipt of the request, unbundle and separately price and offer requested 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 collocation arrangements.

2. Company shall ensure that unbundled elements, when combined together without the addition of any Carrier facilities, 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 for the provision of "full local service." Company will assist Carrier in identifying elements needed to provide any end-user service desired by Carrier.
3. Loop, switching, or transport when interconnected with Carrier facilities (whether purchased individually or in combinations) shall be delivered to the Carrier collocation 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 interconnection arrangements in accordance with agreements between Carrier and Company.
4. To the extent technically feasible, all unbundled element-based features, functions, service attributes, grades-of-service, installation, maintenance and repair intervals which Company provides for its retail service will apply to unbundled elements.
5. Subject to other contractual agreements, Company need not monitor the unbundled loop for maintenance purposes. Carrier may be required to provision a loop testing device either in its central office, Network Control Center, or in its collocation arrangement to test the unbundled loop. Company will perform repair and maintenance once trouble is identified by Carrier.
6. Company shall provide an Electronic Interface with Carrier for on-line electronic file transfers 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.

**B. Compensation.**

Permanent, unbundled network elements prices shall be provided at a rate to be computed based on TELRIC plus a reasonable allocation of joint and common costs of each such Element. Until permanent rates are developed, and always subject to MFN provisions appearing elsewhere in this Agreement, interim rates within the proxy ranges approved by the FCC or a state Commission or otherwise agreed to by the parties shall be implemented.

**IX. SPECIAL SERVICE ARRANGEMENTS AND CONSTRUCTION**

**A. Special Service Arrangements.**

Company shall provide special service arrangements to Carrier as reasonably requested pursuant to Company's unbundled element and interconnection obligations under the Act. For special service arrangements not readily available through Company, unbundled

element pricing at TELRIC with a reasonable allocation of joint and common cost shall apply. This Company obligation includes the construction of a reasonable amount of additional facilities.

## **X. 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 switch updating activities.

### **B. Compensation.**

To the extent that Company assigns NXXs, the Company will assign NXXs to Carrier at the same rates/charges it imposes upon itself.

### **C. Quality of Service.**

Company will 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. Company agrees to provide to Carrier information concerning NPA-NXX splits.

## **XI. 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 Company or Carrier 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 appropriate 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 Carrier subscribers.
3. Company will provide interim number portability in an area until permanent number portability is implemented in that area.

**B. Compensation.**

1. For Interim Number Portability, Company shall be entitled to the TELRIC cost of providing this service less a 55% discount because of the lesser standard of service provided via interim number portability solutions.
2. For Permanent Number Portability, the parties will pay any costs as required by Commission Orders.

**XII. ADDITIONAL SERVICES**

**A. 911/E911.**

1. Description.

- a. Carrier will interconnect trunk groups to the Company 911/E911 selective router(s)/911 tandem(s) which serve the area 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 platforms, 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 ORDB. If available, this will enable Carrier to promptly respond to emergency agencies (e.g., 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, to listings of Carrier customer telephone numbers which are obtained by Carrier (or its customers) pursuant to Local Telephone Number Portability Arrangements, and to listings of customers served through resale of Company services. Company shall publish Carrier listings in those Company directories covering the geographic scope of Carrier's local service areas. 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's 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 Carrier Information Page appearing in the "Informational Pages" 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. Additional Information pages will be made available at the same price as Company is charged by its directory publisher or at TELRIC plus a reasonable allocation of joint and common costs, whichever is lower.
- c. Carrier will provide Company with its directory listings and daily updates to those listings 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. 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 Parity directory distribution, directory database maintenance, and directory listings for Carrier's and its customers under the same terms that Company provides these same services for its end-user to the extent permitted by Section 222 of the Act..
- g. The Company's 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.

Carrier and Company shall be treated in a non discriminatory manner concerning white and yellow pages directory expense responsibility, based on proportionate listing allocation of said expense, and in the same manner white and yellow pages additional listings, bolding, color, in-column advertising and display advertising profits or revenues shared with the Company by the directory publisher shall be shared with Carrier. However, Company (or its directory publisher) may elect to forego expense and

revenue/profit sharing with Carrier and instead, at no charge to Carrier, publish Carrier's customer's directory listings, publish a Carrier Information Page in the white pages directory, provide initial directory distribution to Carrier's customers and maintain any required directory listing publication databases.

3. Billing.

- a. The Yellow Pages advertising billed to Carrier end-users will be rendered separately to Carrier customers by publisher, or at the option of Company, 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's customer directly for white pages advertising, color or white page bolding, or at the option of Company, as outlined in (a) above. Carrier may invoice its end-users for directory charges.

4. Information.

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

5. Quality of Service.

- a. The 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, Carrier branded 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 pursuant to Section 222 of the Act, Company will:
- i. provide to Carrier operators or to a Carrier-designated operator bureau an Electronic Interface to provide 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 and will update its database with Carrier's data in Parity with updates from its own data.
- d. Company may store proprietary customer information provided by Carrier in its Directory Assistance database; such information should be able to be identified by source provider in order to provide the necessary protection of Carrier's or Carrier customer's 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 Company DA service.
- g. To the extent Company provides directory assistance service, Carrier will provide its listings to Company via data and processed directory assistance feeds in accordance with an agreed upon industry format. Company shall include Carrier listings in its directory assistance database.
- h. Carrier has the right to license Company unbundled directory databases 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, consistent with Section 222 of the Act, 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/Non-Listed

- b. Each Carrier shall bill its own end-users.
- c. Carrier will be billed in an agreed upon standard 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 any additional actual expense to brand the service with Carrier's brand. Where DA is separately charged as a retail service by Company, Carrier shall pay for DA service at wholesale avoided cost.
- b. Company shall place Carrier end-users listings in its directory assistance database for no charge.
- c. Company shall, subject to Section 222 of the Act, make its unbundled directory assistance database available to Carrier. Prices shall be set at TELRIC plus a reasonable allocation of joint and common costs.
- d. Any additional actual trunking costs necessary to provide a Carrier branded 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, Carrier branded operator service which is comparable in every other way to operator services Company makes available to its own end-users.
- b. 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.
- c. Company shall provide operator service features 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. Company shall provide operator services for resale at wholesale prices, or at Carrier's option as an unbundled element at TELRIC with a reasonable allocation of joint and common costs.
- b. When Carrier requests Carrier branded Company operator services for resale or as an unbundled element, any actual additional trunking costs associated with Carrier branding shall be paid by Carrier. Where technically feasible, Company shall also, at the request of Carrier, route Carrier operator service traffic to Carrier operator service centers.
- c. 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 wholesale or unbundled element rates.

### XIII. 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 (or other traffic routed through Carrier) on Company's network and for termination of Company's traffic on Carrier's network.

**B. Types of Traffic and Services**

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 carrier and terminates to an end-user of the another carrier as defined in accordance with Company's then current local serving areas (or the MTA for CMRS traffic) 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 (which will be considered local traffic for CMRS intra MTA usage).
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 (e.g., EAS/Local, intraLATA toll, switched access and CMRS) 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; (c) IXCs, and (d) CMRS carriers.
7. 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), interstate access usage and CMRS, if applicable or Carrier's actual usage reporting. Company and Carrier reserve 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. Company may contract directly with CMRS carriers using Carrier's network for transit functions, and in such case, Company shall directly bill termination charges to the CMRS carrier.

C. Compensation.

1. Local Traffic.

a. Termination. Interim reciprocal, compensation arrangements within the proxy range established by the FCC shall be implemented. If usage is presumed to be balanced either because of actual experience or because measurement cannot be performed at this time, bill-and-keep may be used by the parties. When a TELRIC compensation rate is developed and approved, it shall replace any interim rate. If Company offers to any Party a rate under this section that is lower than the proxy rate or the TELRIC rate, Carrier may replace its current rate with that lower rate.

b. Transport. Permanent charges for transport between Company tandems and/or end offices shall be based upon TELRIC plus a reasonable allocation of joint and common costs. Until such time as a permanent rate is developed and approved, Company shall implement an interim proxy rate that reflects the Company's interstate dedicated transport price. Transport shall be a separately chargeable element.

c. Tandem Charge. Tandem switching shall be a separately chargeable element based upon TELRIC plus a reasonable allocation of joint and common costs. Until such time as a permanent rate is developed and approved, Company shall charge the FCC proxy rate of \$0.0015 per minute for tandem switching or such other proxy rate as subsequently established by the FCC.

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 or via other appropriate meet point access arrangements.

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.

#### XIV. 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 by which Company or Carrier is bound 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, overlashing 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 ten (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 the other Party incurred in responding to said request.
4. When establishing service to end users, both Carrier and Company agree not to damage the property of the other or take any action that would subject the network or facilities of the other party to dangerous electrical currents or other hazards.

##### B. Compensation.

Access to Company's and Carrier's poles, ducts, conduits, and rights of way, will be provided on a non-discriminatory, competitively 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. Cost allocations shall be performed in compliance with the FCC Rules.

#### 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 any end-user 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.

To the extent either Party is liable to any toll provider for fraud and to the extent the other Party could have reasonably prevented such fraud, the Party failing to exercise reasonable care will indemnify the other Party for any fraud due to compromise of its facilities or systems that could have been reasonably prevented.

**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 jurisdictional usage factor and usage reports from the audited party.

**XVI. 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 on terms different from those available under this Agreement 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 non-cost based 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.

Notwithstanding the above provision, this agreement is subject to such changes or modifications with respect to the rates, terms or conditions contained herein as may be ordered or

directed by the State Commission or the FCC in the exercise of their respective jurisdictions (whether said changes or modifications result from a rulemaking proceeding, a generic investigation or an arbitration proceeding which applies to the Company or in which the State Commission makes a generic determination) to the extent that said changes apply to all similar Company agreements. This agreement shall be modified, however, only to the extent necessary to apply said changes where Company specific data has been made available to the Parties and considered by the State Commission. Any rates, terms or conditions thus developed shall be substituted in place of those previously in effect and shall be deemed to have been effective under this Agreement as of the effective date of the order by the State Commission or the FCC, whether such action was commenced before or after the effective date of this Agreement. If any such modification renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement.

## XVII. PROPRIETARY INFORMATION

- A. 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 of such oral conveyance and shall be reduced to writing within 30 days.
- B. 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.
- C. 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.
- D. 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.
- E. 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.

## **XVIII. 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 FCC, or (3) rates, terms and conditions available to other CLECs including continuation of MFN rights to available terms and conditions.

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 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.

## **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 to Carrier 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 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 (e.g., an independent contractor or agent) by either of the Parties or their Affiliates (except as a mediator). If the Parties cannot agree upon a mediator, then within the same 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 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 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 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 interconnection 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 Communications Act of 1934 as amended.

## 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. Notices 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. However, adoption by Carrier of prices, terms and conditioning under its MFN right require only notice by Carrier to Company. 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 moneys 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 moneys shall be void to the extent that it attempts to impose additional obligations other than the payment of such moneys on the other Party or the assignee additional to the payment of such moneys.

### XXIX. 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 #: 11489

Exhibit MRH - 4

MOST FAVORED NATIONS (MFN)

SPRINT PROPOSED CONTRACT LANGUAGE

If, at any time while this Agreement is in effect, Company provides any individual interconnection, service, or network element arrangement contained in this agreement for the provision of a telecommunications service, as used herein, to a telecommunications carrier, as defined in 47 Code of Federal Regulations Part 51.5, on terms different from those available under this Agreement, then Carrier may opt to adopt such individual interconnection, service, or network element arrangement upon the same rates, terms, and conditions as those provided to said telecommunications carrier in place of the specific individual interconnection, service, or network element arrangement otherwise applicable under this Agreement for its own arrangements with Company. This obligation shall not apply where Company proves to the State Commission that the costs of providing a particular interconnection, service, or element to Carrier are greater than the costs of providing it to the telecommunications carrier that originally negotiated the agreement, or the provision of a particular interconnection, service, or element to the requesting carrier is not technically feasible. Individual interconnection, service, or network element arrangements shall remain available for use by telecommunications carriers pursuant to this section for a reasonable period of time after the approved agreement is available for public inspection.

Notwithstanding the above provision, this agreement is subject to such changes or modifications with respect to the rates, terms or conditions contained herein as may be ordered or directed by the State Commission or the FCC, or as may be required to implement the result of an order or direction of a court of competent jurisdiction with respect to its review of an appeal of the decision of a State Commission or the FCC, in the exercise of their respective jurisdictions (whether said changes or modifications result from an order issued on an appeal of the decision of a State Commission or the FCC, a rulemaking proceeding, a generic investigation or an arbitration proceeding conducted by a State Commission or FCC which applies to the Company or in which the State Commission or FCC makes a generic determination) to the extent that said changes apply to all similar Company agreements or interconnection requirements in general. Any rates, terms or conditions thus developed or modified shall be substituted in place of those previously in effect and shall be deemed to have been effective under this Agreement as of the effective date of the order by the court, State Commission or the FCC, whether such action was commenced before or after the effective date of this Agreement. If any such modification renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement. Should the Parties be unable to reach agreement with respect to the applicability of such order or the resulting appropriate modifications to this agreement that result, the parties agree to petition such State Commission to establish appropriate interconnection arrangements under sections 251 and 252 of the Act in light of said order or decision.

Exhibit MRH-5

## NETWORK ELEMENT BONA FIDE REQUEST

1. Each Party shall promptly consider and analyze access to a new unbundled network element with the submission of a network element bona fide request hereunder.
2. A bona fide request shall be submitted in writing and shall include a technical description of each request network element.
3. The requesting party may cancel a network element bona fide request at any time, but shall pay the other party's reasonable and demonstrable costs of processing and/or implementing the network element bona fide request up to the date of cancellation.
4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the network element bona fide request.
5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a network element bona fide request, the receiving party shall provide to the requesting party a preliminary analysis of such network element bona fide request. The preliminary analysis shall confirm that the receiving party will offer access to the network element or will provide a detailed explanation that access to the network element is not technically feasible and/or that the request does not qualify as a network element that is required to be provided under the Act.
6. Upon receipt of the preliminary analysis, the requesting party shall notify the receiving party of its intent to proceed or not to proceed within thirty (30) days.
7. The receiving party shall promptly proceed with the network element bona fide request upon receipt of written authorization from the requesting party. When it receives such authorization, the receiving party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.
8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the network element bona fide request, the receiving party shall provide to the requesting party a network element bona fide request quote which will include, at a minimum, a description of each network element, the availability, the applicable rates (developed in accordance with Commission or FCC approved pricing methodologies) and the installation intervals.



9. Within thirty (30) days of its receipt of the network element bona fide request quote, the requesting party must either confirm its order for the network element bona fide request pursuant to the network element bona fide request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

10. If a party to the network element bona fide request believes that the other party is not requesting, negotiating, or processing the network element bona fide request in good faith, or disputes a determination, or price or cost quote, such party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.