

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Resale Agreement)
between GTE Florida Incorporated and)
Direct-Tel USA, LLC)

Docket No.
Filed: December 11, 1998

PETITION OF GTE FLORIDA INCORPORATED
FOR APPROVAL OF RESALE AGREEMENT WITH
DIRECT-TEL USA, LLC

GTE Florida Incorporated (GTEFL) files this petition before the Florida Public Service Commission seeking approval of a resale agreement which GTEFL has entered with Direct-Tel USA, LLC (DIRECT-TEL). In support of this petition, GTEFL states:

1. The United States Congress recently passed legislation amending the Communications Act of 1934. This act, referred to as the Telecommunications Act of 1996, requires that any "interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission." *Telecommunications Act of 1996, §252(e)*.

2. Under the federal act, interconnection/resale agreements can be rejected by the state commission only if the commission finds that the agreement (or any portion thereof) discriminates against a telecommunications carrier not a party to the agreement or if the implementation of that agreement is not consistent with the public interest, convenience and necessity.

3. DIRECT-TEL is currently certified with the Commission as Direct-Tel, Inc. It is GTEFL's understanding that DIRECT-TEL will be filing for a name change to Direct-Tel USA, LLC.

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FPSC-RECORDS/REPORTING

4. The agreement with DIRECT-TEL (attached hereto as Attachment A) does not discriminate against other similarly situated carriers and is also consistent with the public interest, convenience and necessity. As such, GTEFL seeks approval of the agreement from the Commission as required under the federal statutory provisions noted above.

WHEREFORE, GTEFL respectfully requests that the Commission approve the attached resale agreement and that GTEFL be granted all other relief proper under the circumstances.

Respectfully submitted on December 11, 1998.

By:



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RESALE AGREEMENT

BETWEEN

GTE FLORIDA INCORPORATED

AND

DIRECT-TEL USA, LLC

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This Resale Agreement (the "Agreement"), is made effective as of _____, 199___, by and between GTE Florida Incorporated, with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and Direct-Tel USA, LLC, in its capacity as a certified provider of local dial-tone service ("DIRECT-TEL"), with its address for this Agreement at 1701 W. Hillsboro Boulevard Suite 205, Deerfield Beach, FL 33422 (GTE and DIRECT-TEL being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the state of Florida only (the "State").

WHEREAS, Section 251 of the Telecommunications Act of 1996 (the "Act") imposes specific obligations on LECs with respect to the resale of telecommunications services; and

WHEREAS, GTE is entering, under protest, into certain aspects of this Agreement that incorporate adverse results from the arbitrated agreements approved by the Commission in this state and is doing so in order to avoid the expense of arbitration while at the same time preserving its legal positions, rights and remedies;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GTE and DIRECT-TEL hereby covenant and agree as follows:

ARTICLE II DEFINITIONS

1. **General Definitions.** Except as otherwise specified herein, the following definitions shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in this Article II and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.
 - 1.1 **Act** - the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.
 - 1.2 **Applicable Law** - all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, and approvals of any Governmental Authority, which apply or relate to the subject matter of this Agreement.
 - 1.3 **As-Is Transfer (AIT)** - the transfer of all telecommunications services and features available for resale, that are currently being provided for a specific account, without the requirements of a specific enumeration of the services and features on the Local Service Request (LSR).
 - 1.4 **Business Day** - Monday through Friday, except for holidays on which the U.S. mail is not delivered.
 - 1.5 **Centralized Message Distribution System (CMDS)** - 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.
 - 1.6 **Commission** - the Florida Public Service Commission.
 - 1.7 **Competitive Local Exchange Carrier (CLEC)** - any company or person authorized to provide local exchange services in competition with an ILEC.
 - 1.8 **Currently Available** - existing as part of GTE's network at the time of the requested order or service and does not include any service, feature, function or capability that GTE either does not provide to itself or to its own end users, or does not have the capability to provide.
 - 1.9 **Customer** - GTE or DIRECT-TEL depending on the context and which Party is receiving the service from the other Party.
 - 1.10 **E-911 Service** - a method of routing 911 calls to a Public Service Answering Point that uses a customer location database to determine the location to which a call should be routed. E-9-1-1 service includes the forwarding of the caller's Automatic Number Identification (ANI) to the PSAP where the ANI is used to retrieve and display the Automatic Location Identification (ALI) on a terminal screen at the answering Attendant's position. It usually includes selective routing.
 - 1.11 **Exchange Message Record (EMR)** - an industry standard record used to exchange telecommunications message information among CLECs for billable, non-billable, sample,

- 1.22 **911 Service** - a universal telephone number which gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.
- 1.23 **Numbering Plan Area (NPA)** - also sometimes referred to as an area code, is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas. 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- 1.24 **NXX, NXX Code, Central Office Code or CO Code** - the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- 1.25 **Party/Parties** - GTE and/or DIRECT-TEL.
- 1.26 **Provider** - GTE or DIRECT-TEL depending on the context and which Party is providing the service to the other Party.
- 1.27 **Subsidiary** - a corporation or other legal entity that is majority owned by a Party.
- 1.28 **Telecommunications Services** - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.29 **Undefined Terms** - terms that may appear in this Agreement which are not defined. Parties acknowledge and agree that any such terms shall be construed in accordance with customary usage in the telecommunications industry as of the effective date of this Agreement.
- 1.30 **Vertical Features (including CLASS Features)** - vertical services and switch functionalities provided by GTE, including: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.

ARTICLE III
GENERAL PROVISIONS

1. Scope of General Provisions. Except as may otherwise be set forth in a particular Article or Appendix of this Agreement, in which case the provisions of such Article or Appendix shall control, these General Provisions apply to all Articles and Appendices of this Agreement.
2. Term and Termination.
 - 2.1 Term. Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days' written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than 90 calendar days prior to the end of the current term, this Agreement shall remain in effect for 90 calendar days after such notice is received, provided, that in no case shall the term be extended beyond 90 calendar days after the end of the current term.
 - 2.2 Post-Termination Arrangements. Except in the case of termination as a result of either Party's default or a termination upon sale, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements may continue without interruption (a) under a new agreement voluntarily executed by the Parties; (b) standard terms and conditions approved and made generally effective by the Commission, if any; (c) tariff terms and conditions made generally available to all CLECs; or (d) any rights under Section 252(i) of the Act.
 - 2.3 Termination Upon Default. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party; *provided however*, that the non-defaulting Party notifies the defaulting party in writing of the alleged default and that the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of written notice thereof. Default is defined to include:
 - (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or
 - (b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation any of the material terms or conditions of this Agreement.
 - 2.4 Termination Upon Sale. Notwithstanding anything to the contrary contained herein, a Party may terminate this Agreement as to a specific operating area or portion thereof of such Party if such Party sells or otherwise transfers the area or portion thereof. The Party shall provide the other Party with at least ninety (90) calendar days' prior written notice of such termination, which shall be effective on the date specified in the notice. Notwithstanding termination of this Agreement as to a specific operating area, this Agreement shall remain in full force and effect in the remaining operating areas.
 - 2.5 Liability upon Termination. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

9. Capacity Planning and Forecasting. Within thirty (30) days from the effective date of this Agreement, the Parties agree to have met and developed joint planning and forecasting responsibilities which are applicable to local services. Such responsibilities shall include but are not limited to the following:
- 9.1 DIRECT-TEL will furnish to GTE information that provides for state-wide annual forecasts of order activity, in-service quantity forecasts, and facility/demand forecasts.
- 9.2 DIRECT-TEL shall notify GTE promptly of changes greater than ten percent (10%) to current forecasts (increase or decrease) that generate a shift in the demand curve for the following forecasting period.
10. Compliance with Laws and Regulations. Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.
11. Confidential Information.

- 11.1 Identification. Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.

Notwithstanding the foregoing, preorders and all orders for services placed by DIRECT-TEL pursuant to this Agreement, and information that would constitute customer proprietary network information of DIRECT-TEL end user customers pursuant to the Act and the rules and regulations of the FCC, as well as recorded usage information with respect to DIRECT-TEL end users, whether disclosed by DIRECT-TEL to GTE or otherwise acquired by GTE in the course of its performance under this Agreement, and where GTE is the NANP Number Plan Administrator, DIRECT-TEL information submitted to GTE in connection with such responsibilities shall be deemed Confidential Information of DIRECT-TEL for all purposes under this Agreement whether or not specifically marked or designated as confidential or proprietary.

- 11.2 Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:
- (a) That all Confidential Information shall be and shall remain the exclusive property of the source;
- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;

- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - (e) To return promptly any copies of such Confidential Information to the source at its request; and
 - (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.
- 11.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 11.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.
12. Consent. Where consent, approval, or mutual agreement is required of a Party, it shall not be unreasonably withheld or delayed.
13. Fraud. DIRECT-TEL assumes responsibility for all fraud associated with its end user customers and accounts. GTE shall bear no responsibility for, nor is it required to investigate or make adjustments to DIRECT-TEL's account in cases of fraud.
14. Reimbursement of Expenses. In performing under this Agreement GTE may be required to make expenditures or otherwise incur costs that are not otherwise reimbursed under this Agreement. In such event GTE is entitled to reimbursement from DIRECT-TEL for all such costs. For all such costs and expenses GTE shall receive through NRCs the actual costs and expenses incurred, including labor costs and expenses, overhead and fixed charges, and may include a reasonable contribution to GTE's common costs.
15. Dispute Resolution.
- 15.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
 - 15.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute

arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these negotiations shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

15.3

Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be expanded upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

15.4

Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 15.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).

15.5

Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.

15.6

Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations (including making payments in accordance with Article IV, Section 4) in accordance with this Agreement.

16.

Entire Agreement. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations,

24. Law Enforcement Interface.

- 24.1 Except to the extent not available in connection with GTE's operation of its own business, GTE shall provide seven day a week/twenty-four hour a day assistance to law enforcement persons for emergency traps, assistance involving emergency traces and emergency information retrieval on customer invoked CLASS services.
- 24.2 GTE agrees to work jointly with DIRECT-TEL in security matters to support law enforcement agency requirements for taps, traces, court orders, etc. Charges for providing such services for DIRECT-TEL customers will be billed to DIRECT-TEL.
- 24.3 GTE will, in non emergency situations, inform the requesting law enforcement agencies that the end-user to be wire tapped, traced, etc. is a DIRECT-TEL Customer and shall refer them to DIRECT-TEL.
- 24.4 Subsequent to the execution and approval of this Agreement by the Commission, the parties shall establish a separate contract or authorization agreement specific to the Nuisance Call Bureau (NCB) and Security Control Center (SCC) for CLEC procedures which will be in compliance with applicable state and federal laws.

25. Liability and Indemnity.

- 25.1 Indemnification. Subject to the limitations set forth in Section 25.4 of this Article III, each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. 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.
- 25.2 End User and Content-Related Claims. Each Party agrees to release, indemnify, defend, and hold harmless the other Party, its affiliates, and any third-party provider or operator of facilities involved in the provision of services (collectively, the "Indemnified Party") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by either Party's end users against an indemnified Party arising from services. Each Party further agrees to release, indemnify, defend, and hold harmless the indemnified Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by any third party against an indemnified Party arising from or in any way related to actual or alleged defamation, libel,

slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person or property arising out of content transmitted by the Indemnified Party or such Party's end users, or any other act or omission of the Indemnified Party or such Party's end users.

- 25.3 **DISCLAIMER.** EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, GTE MAKES NO REPRESENTATIONS OR WARRANTIES TO CUSTOMER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES PROVIDED UNDER THIS AGREEMENT. PROVIDER DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.
- 25.4 **Limitation of Liability.** Each Party's liability, whether in contract, tort or otherwise, shall be limited to direct damages, which shall not exceed the monthly charges, plus any related costs/expenses GTE may recover, including those under Section 14 above, for the services for the month during which the claim of liability arose. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or any accessories attached thereto, delay, error, or loss of data. Should either Party provide advice, make recommendations, or supply other analysis related to the services described in this Agreement, this limitation of liability shall apply to provision of such advice, recommendations, and analysis.
- 25.5 **Intellectual Property.** Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.
26. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, out all of which shall together constitute but one and the same document.
27. **No Third Party Beneficiaries.** Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other right or privilege.
28. **Notices.** Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Upon prior immediate oral agreement of the parties' designated recipients identified below, notice may also be provided by facsimile, internet or electronic messaging system, which shall be effective if sent before 5:00 p.m. on that day, or if sent after 5:00 p.m. it will be effective on the next Business Day following the date sent. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to GTE:

GTE Florida Incorporated
Attention: Assistant Vice President/Associate General Counsel
Business Development & Integration
600 Hidden Ridge - HQE03J43
Irving, TX 75033
Telephone Number: 972/718-6361
Facsimile Number: 972/718-3403

and

GTE Florida Incorporated
Attn: Director-Wholesale Contract Compliance
Network Services
600 Hidden Ridge - HQE03D52
Irving, TX 75038
Telephone Number: 972/718-5988
Facsimile Number: 972/719-1519

If to DIRECT-TEL:

Direct-Tel, Inc.
Attention: Mr. Ronald Kaplan, President
1701 W. Hillsboro Boulevard
Suite 205
Dearfield Beach, FL 33422
Telephone Number: 954/426-4545
Facsimile Number: 954/426-5495

29. Protection.

29.1 Impairment of Service. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to its plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

29.2 Resolution. If either Party causes an Impairment in Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

30. Publicity. Any news release, public announcement, advertising, or any form of publicity pertaining to this Agreement, provision of services pursuant to it, or association of the Parties with respect to provision of the services described in this Agreement shall be subject to prior written approval of both GTE and DIRECT-TEL.

31. Regulatory Agency Control. This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the

39. Subcontractors. Provider may enter into subcontracts with third parties or affiliates for the performance of any of Provider's duties or obligations under this Agreement.
40. Subsequent Law. The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.
41. Taxes. Any state or local excise, sales, or use taxes (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any sales or use taxes that may be subsequently levied on payments by the other Party by the collecting Party.
- 41.1 Tax - A charge which is statutorily imposed by the state or local jurisdiction and is either (a) imposed on the seller with the seller having the right or responsibility to pass the charge(s) on to the purchaser and the seller is responsible for remitting the charge(s) to the state or local jurisdiction or (b) imposed on the purchaser with the seller having an obligation to collect the charge(s) from the purchaser and remit the charge(s) to the state or local jurisdiction.
- Taxes shall include but not be limited to: federal excise tax, state/local sales and use tax, state/local utility user tax, state/local telecommunication excise tax, state/local gross receipts tax, and local school taxes. Taxes shall not include income, income-like, gross receipts on the revenue of a provider, or property taxes. Taxes shall not include payroll withholding taxes unless specifically required by statute or ordinance.
- 41.2 Fees/Regulatory Surcharges - A charge imposed by a regulatory authority, other agency, or resulting from a contractual obligation, in which the seller is responsible or required to collect the fee/surcharge from the purchaser and the seller is responsible for remitting the charge to the regulatory authority, other agency, or contracting party.
42. Trademarks and Trade Names. Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.
43. Waiver. The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.
44. TBD Prices. Numerous provisions in this Agreement and its Attachments refer to pricing principles. If a provision references prices in an Attachment and there are no corresponding prices in such Attachment, such price shall be considered "To Be Determined" (TBD). With

respect to all TBD prices, prior to DIRECT-TEL ordering any such TBD item, the Parties shall meet and confer to establish a price. If the Parties are unable to reach agreement on a price for such item, an interim price shall be set for such item that is equal to the price for the nearest analogous item for which a price has been established (for example, if there is not an established price for a non recurring charge (NRC) for a specific service, the Parties would use the NRC for the most analogous retail service for which there is an established price). Any interim prices so set shall be subject to modification by any subsequent decision of the Commission. If an interim price is different from the rate subsequently established by the Commission, any underpayment shall be paid by DIRECT-TEL to GTE, and any overpayment shall be refunded by GTE to DIRECT-TEL, within 45 Business Days after the establishment of the price by the Commission.

45. Amendment of Certain Rates, Terms and Conditions. The rates, terms and conditions in this Agreement that are specified in Appendix 45B (the "AT&T Terms") were taken from the GTE/AT&T Interconnection, Resale and Unbundling Agreement (the AT&T Agreement) approved by the Commission in Case No. 960847-TP. The rates, terms and conditions not included in this Agreement but referenced in Appendix 45A (the "GTE Terms") were excluded from the AT&T Agreement by the Commission in Case No. 960847-TP. GTE and DIRECT-TEL agree that if the "AT&T Terms" are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then this Agreement shall be deemed to have been amended accordingly, by modification of the "AT&T Terms" or, as appropriate, the substitution of "GTE Terms" for all stayed and enjoined "AT&T Terms", and such amendments shall be effective retroactive to the Effective Date of this Agreement.

GTE and DIRECT-TEL further agree that the terms and conditions of this Agreement reflect certain requirements of the FCC's First Report and Order in CC Docket No. 96-98. The terms and conditions of this Agreement shall be subject to any and all actions by any court or other governmental authority that invalidate, stay, vacate or otherwise modify the FCC's First Report and Order, in whole or in part ("actions"). To the extent warranted by any such action, the parties agree that this Agreement shall be deemed to have been modified accordingly as in the first paragraph of this Section 45. The parties agree to immediately apply any affected terms and conditions, including any in other sections and articles of this Agreement, consistent with such action, and within a reasonable time incorporate such modified terms and conditions in writing into the Agreement. If the AT&T Terms are affected by such action and GTE determines they cannot be consistently applied therewith, the GTE Terms shall apply. DIRECT-TEL acknowledges that GTE may seek to enforce such action before a commission or court of competent jurisdiction. GTE does not waive any position regarding the illegality or inappropriateness of the FCC's First Report and Order.

The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "AT&T Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

If the Commission (or any other commission or federal or state court) in reviewing this Agreement pursuant to applicable state and federal laws, including Section 252(e) of the Telecommunications Act of 1996, deletes or modifies in any way this Section 45, DIRECT-TEL agrees that this entire Agreement is void and will not become effective, and DIRECT-TEL agrees to withdraw this Agreement from consideration by the Commission (or any other commission or federal or state court).

**ARTICLE IV
GENERAL RULES GOVERNING RESOLD SERVICES**

1. **General.** General regulations, terms and conditions governing rate applications, technical parameters, service availability, definitions and feature interactions, as described in the appropriate GTE intrastate local, toll and access tariffs, apply to retail services made available by GTE to DIRECT-TEL for resale provided by GTE to DIRECT-TEL, when appropriate, unless otherwise specified in this Agreement. As applied to services under this Agreement, the term "Customer" contained in the GTE Retail Tariff shall be deemed to mean "DIRECT-TEL" as defined in this Agreement.

2. **Liability of GTE.**
 - 2.1 **Inapplicability of Tariff Liability.** GTE's general liability, as described in the GTE Retail Tariff, does not extend to DIRECT-TEL's customers or any other third party. Liability of GTE to DIRECT-TEL resulting from any and all causes arising out of services, or any other items relating to this Agreement shall be governed by the liability provisions contained in this Agreement and no other liability whatsoever shall attach to GTE. GTE shall be liable for the individual services, facilities or elements that it separately provides to DIRECT-TEL and shall not be liable for the integration of components combined by DIRECT-TEL.

 - 2.2 **DIRECT-TEL Tariffs or Contracts.** DIRECT-TEL shall, in its tariffs or other contracts for services provided to its end users using services obtained from GTE, provide that in no case shall GTE be liable to DIRECT-TEL's end users or any third parties for any indirect, special or consequential damages, including, but not limited to, economic loss or lost business or profits, whether foreseeable or not, and regardless of notification by DIRECT-TEL of the possibility of such damages and DIRECT-TEL shall indemnify and hold GTE harmless from any and all claims, demands, causes of action and liabilities based on any reason whatsoever from its customers as provided in this Agreement. Nothing in this Agreement shall be deemed to create a third-party beneficiary relationship with DIRECT-TEL's end users.

 - 2.3 **No Liability for Errors.** GTE is not liable for mistakes that appear in GTE's listings, 911 and other information databases, or for incorrect referrals of end users to DIRECT-TEL for any ongoing DIRECT-TEL service, sales or repair inquiries, and with respect to such mistakes or incorrect referrals, DIRECT-TEL shall indemnify and hold GTE harmless from any and all claims, demands, causes of action and liabilities whatsoever, including costs, expenses and reasonable attorney's fees incurred on account thereof, by third parties, including DIRECT-TEL's end users or employees. For purposes of this Section 2.3, mistakes and incorrect referrals shall not include matters arising out of the willful misconduct of GTE or its employees or agents.

3. **Unauthorized Changes.**
 - 3.1 **Procedures.** If DIRECT-TEL submits an order for resold services under this Agreement in order to provide service to an end user that at the time the order is submitted is obtaining its local services from GTE or another LEC using GTE resold services, and the end user notifies GTE that the end user did not authorize DIRECT-TEL to provide local exchange services to the end user, DIRECT-TEL must provide GTE with written documentation of authorization from that end user within thirty (30) Business Days of notification by GTE. If DIRECT-TEL cannot provide written documentation of authorization within such time frame, DIRECT-TEL must within three (3) Business Days thereafter:

enforcement officials at the premises where located, and if there is not presented to GTE the written finding of a court, then upon request of DIRECT-TEL and agreement to pay restoral of service charges and other applicable service charges, GTE shall promptly restore such service.

6. Timing of Messages. With respect to GTE resold measured rate local service(s), chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when the calling station "hangs up," thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released by automatic timing equipment in the network.
7. Procedures For Preordering, Ordering, Provisioning, Etc. Certain procedures for preordering, ordering, provisioning, maintenance and billing and electronic interfaces for many of these functions are described in Appendix B. All costs and expenses for any new or modified electronic interfaces DIRECT-TEL requires that GTE determines are Currently Available and GTE agrees to develop will be paid by DIRECT-TEL pursuant to Appendix B. The schedule for implementation of any new or modified electronic interfaces will be developed by GTE according to industry standards and will be based upon the amount of work needed to design, test and implement the new or modified interface.
8. Letter of Authorization
 - 8.1 GTE will not release the Customer Service Record (CSR) containing Customer Priority Network Information (CPNI) to DIRECT-TEL on GTE end user customer accounts unless DIRECT-TEL first provides to GTE a written Letter of Authorization (LOA), signed by the end user customer, authorizing the release of such information to DIRECT-TEL or if state or federal law provides otherwise, in accordance with such law.
 - 8.2 An LOA will be required before GTE will process an order for services provided in cases in which the subscriber currently receives Exchange Service from GTE or from a local service provider other than DIRECT-TEL. Such LOA may be a blanket LOA or such other form as agreed upon between GTE and DIRECT-TEL.
9. Customer Contacts. Except as otherwise provided in this Agreement or as agreed to in a separate writing by DIRECT-TEL, DIRECT-TEL shall provide the exclusive interface with DIRECT-TEL's end user customers in connection with the marketing or offering of DIRECT-TEL services. Except as otherwise provided in this Agreement, in those instances in which GTE personnel are required pursuant to this Agreement to interface directly with DIRECT-TEL's end users, such personnel shall not identify themselves as representing GTE. All forms, business cards or other business materials furnished by GTE to DIRECT-TEL end users shall be generic in nature. In no event shall GTE personnel acting on behalf of DIRECT-TEL pursuant to this Agreement provide information to DIRECT-TEL end users about GTE products or services unless otherwise authorized by DIRECT-TEL.

**ARTICLE V
RESALE OF SERVICES**

1. **General.** The purpose of this Article V is to define the Exchange Services and related Vertical Features and other services (collectively referred to for purposes of this Article V as the "services") that may be purchased from GTE and resold by DIRECT-TEL and the terms and conditions applicable to such resold services. Except as specifically provided otherwise in this Agreement, provisioning of Exchange Services for resale will be governed by the GTE Guide. GTE will make available to DIRECT-TEL for resale any Telecommunications Service that GTE currently offers, or may offer hereafter, on a retail basis to subscribers that are not telecommunications carriers, except as qualified by Section 2.1 below.
2. **Terms and Conditions.**
 - 2.1 **Restrictions on Resale.** The following restrictions shall apply to the resale of retail services by DIRECT-TEL.
 - 2.1.1 DIRECT-TEL shall not resell to one class of customers a service that is offered by GTE only to another class of customers in accordance with state requirements (e.g., R-1 to B-1, disabled services or lifeline services to non-qualifying customers).
 - 2.1.2 DIRECT-TEL shall not resell lifeline services and services for the disabled.
 - 2.1.3 DIRECT-TEL shall not resell promotional offerings of 90 days or less in duration. These promotional offerings are not available to DIRECT-TEL for resale. GTE will apply any applicable resale discount to the ordinary rate for a retail service rather than the special promotional rate.
 - 2.2 **Interim Universal Service Support Charge for Wholesale Services.** DIRECT-TEL wishes to resell GTE's Basic Exchange Residential and Business services. It is GTE's position that GTE's current intraLATA toll rates include implicit subsidies that support below-cost prices for other services and thus promote universal service. This universal service support is lost where a CLEC resells GTE's local service but does not resell GTE's intraLATA toll service. For this reason, GTE will not resell Basic Exchange Residential or Business services unless DIRECT-TEL pays the monthly interim universal service support charge set forth in Appendix A. GTE believes that this interim surcharge is required by state and federal law.

The lawfulness of GTE's interim surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer for resale Basic Local Exchange Residential and Business services at the avoided cost discount rate set forth in Appendix A without the interim surcharge, but subject to the following terms and conditions:

 - 2.2.1 DIRECT-TEL agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, DIRECT-TEL will (i) begin paying the monthly interim surcharge in accord with Appendix A, and (ii) make a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this agreement.
 - 2.2.2 Notwithstanding any provision in this Agreement, GTE may, at its sole discretion and at any time, seek injunctive or other relief (i) requiring the CLEC to pay GTE's

interim surcharge or (ii) requiring the Commission to immediately impose the interim surcharge.

2.2.3 Nothing in this Agreement shall restrict or impair GTE from seeking injunctive relief or any other remedy at any time and in any court regarding GTE's interim surcharge or the Commission's rejection or modification of GTE's interim surcharge.

2.3 Restrictions on Discount of Retail Services. The discount specified in Section 5.3 herein shall apply to all retail services except for the following:

2.3.1 DIRECT-TEL may resell services that are provided at a volume discount in accordance with terms and conditions of applicable tariff. DIRECT-TEL shall not aggregate end user lines and/or traffic in order to qualify for volume discount.

2.3.2 DIRECT-TEL may resell ICB/Contract services without a discount and only to end user customers that already have such services.

2.3.3 DIRECT-TEL may resell COCOT coin or coinless line, however, no discount applies.

2.3.4 DIRECT-TEL may resell special access; however, no discount applies.

2.3.5 DIRECT-TEL may resell Operator Services and Directory Assistance as specified in Section 5.6 herein; however, no discount applies.

2.4 Resale to Other Carriers. Services available for resale may not be used by DIRECT-TEL to provide access to the local network as an alternative to tariffed switched and special access by other carriers, including, but not limited to: interexchange carriers, wireless carriers, competitive access providers, or other retail telecommunications providers.

3. Ordering and Billing.

3.1 Local Service Request. Orders for resale of services will be placed utilizing standard Local Service Request ("LSR") forms. GTE will continue to participate in industry forums for developing service order/disconnect order formats and will incorporate appropriate industry standards. Complete and accurate LSR forms (containing the requisite end user information as described in the Guide) must be provided by DIRECT-TEL before a request can be processed.

3.1.1 GTE will accept orders for As-is Transfer of services from GTE to DIRECT-TEL where GTE is the end user's current local exchange company. GTE cannot provide an As-is Transfer of service from another CLEC selling GTE's services to DIRECT-TEL.

3.2 Certificate of Operating Authority. When ordering, DIRECT-TEL must represent and warrant to GTE that it is a certified provider of local dial-tone service. DIRECT-TEL will provide a copy of its Certificate of Operating Authority or other evidence of its status to GTE upon request.

3.3 Directory Assistance Listings. GTE shall include a DIRECT-TEL customer listing in its Directory Assistance database as part of the Local Service Request ("LSR") process. GTE will honor DIRECT-TEL Customer's preferences for listing status, including non-

- (a) Voice Grade Local Exchange Access Line - includes a telephone number and dial tone.
- (b) Local Calling - at local usage measured rates if applicable to the end user customer.
- (c) Access to long distance carriers
- (d) E-911 Emergency Dialing
- (e) Access to Service Access Codes - e.g., 800, 888, 900
- (f) Use of AIN Services (those Currently Available to end users)
- (g) End User Private Line Services
- (h) Listing of telephone number in appropriate "white pages" directory; and
- (i) Copy of "White Pages" and "Yellow Pages" directories for the appropriate GTE service area
- (j) IntraLATA toll

5.2 Other Services Available for Resale. GTE will provide resold services at retail less the avoided cost discount as defined in Article V, Section 5.3. Subject to the limitations enumerated in Article V of this Agreement, the type of resold services made available to DIRECT-TEL are those telecommunication services described in GTE's retail tariffs, as amended from time to time. Any new retail services that GTE offers in such tariffs to customers who are not telecommunications carriers may also be available to DIRECT-TEL for resale under the same terms and conditions contained in this Agreement.

5.2.1 Promotional Services. GTE shall make available for resale, those promotional offerings that are greater than 90 days in duration and the special promotional rate will be subject to the applicable resale discount.

5.3 Rates. The prices charged to DIRECT-TEL for local services shall be calculated as follows:

5.3.1 Avoided Cost Discount as shown on Appendix A shall apply to all retail services except those services listed in Section 2.1 and Section 2.3 herein.

5.3.2 The discount dollar amount calculated under Section 5.3.1 above will be deducted from the retail rate.

5.3.3 The resulting rate is the resale rate.

5.3.4 This discount dollar amount in Section 5.3.2 above shall not change during the Term of this Agreement, even though GTE may change its retail rates.

5.4 Grandfathered Services. Services identified in GTE Tariffs as grandfathered in any manner are available for resale only to end user customers that already have such grandfathered service. An existing end user customer may not move a grandfathered service to a new service location. Grandfathered services are subject to a resale discount.

- 5.5 Access. GTE retains all revenue due from other carriers for access to GTE facilities, including both switched and special access charges.
- 5.6 Operator Services (OS) and Directory Assistance (DA). Operator Services for local and toll assistance (for example, call completion, busy line verification and emergency interruption) and Directory Assistance (e.g., 411 calls) are provided as an element of Exchange Services offered for resale. GTE may brand this service as GTE. DIRECT-TEL will be billed in accordance with Appendix A.
- 5.6.1 If DIRECT-TEL requests branding or unbranding, GTE will provide such unbranding or rebranding with DIRECT-TEL's name.
- 5.6.2 DIRECT-TEL will be billed a charge for unbranding or rebranding and customized routing.
- 5.6.3 For those offices that DIRECT-TEL has requested GTE to rebrand and/or unbrand OS and DA, GTE will provide it where GTE performs its own OS and DA service subject to capability and capacity limitations where customized routing is Currently Available. If GTE uses a third-party contractor to provide OS or DA, GTE will not provide branding nor will GTE negotiate it with a third party on behalf of DIRECT-TEL. DIRECT-TEL must negotiate with the third party. In these instances, DIRECT-TEL will need to purchase customized routing and dedicated trunking to differentiate its OS/DA traffic from GTE's.
6. Misdirected Calls. The Parties will employ the following procedures for handling any misdirected calls (e.g., Business office, repair bureau, etc.).
- 6.1 To the extent the correct provider can be determined, each Party will refer misdirected calls to the proper provider of local exchange service. When referring such calls, both Parties agree to do so in a courteous manner at no charge.
- 6.2 For misdirected repair calls, the Parties will provide their respective repair bureau contact number to each other on a reciprocal basis and provide the end user the correct contact number.
- 6.3 In responding to misdirected calls, neither Party shall make disparaging remarks about each other, nor shall they use these calls as a basis for internal referrals or to solicit end users or to market services.
7. 911/E911 Arrangements.
- 7.1 Description of Service. Where GTE is the 911 service provider, GTE shall provide 911 Service as described in this Section as an element of local exchange services available for resale.
- 7.1.1 GTE will provide 911 map as described in Appendix C.
- 7.2 Cooperation and Level of Performance. The Parties agree to provide access to 911/E911 in a manner that is transparent to the end user. The Parties will work together to facilitate the prompt, reliable and efficient level of performance that will provide the same grade of service as that which GTE provides to its own end users.
- 7.3 Updates to Master Street Address Guide (MSAG). It shall be the responsibility of DIRECT-TEL to ensure that the address of each of its end users is included in the MSAG.

IN WITNESS WHEREOF, each Party has executed this Agreement to be effective as of the date first above written.

GTE FLORIDA INCORPORATED

By Connie Nicholas

Name Connie Nicholas

Title Assistant Vice President

Wholesale Markets-Interconnection
Date November 19, 1998

DIRECT-TEL USA, LLC

By Ronald Kaplan / DIRECT-TEL USA, LLC

Name Ronald Kaplan

Title PRESIDENT

Date 10/19/98

APPROVED FOR SIGNATURE

[Signature]
ATTORNEY

DATE 11/19/98

**APPENDIX A
SERVICES AVAILABLE FOR RESALE**

General. The rates for resold services described in Article V, Section 5.2 are based upon an avoided cost discount from GTE's retail rates as provided in Article V, Section 5.3 of the Agreement. The avoided cost discount is based upon GTE's most current available cost studies and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

GTE assesses a separate interim universal service fund surcharge for resale of Basic Local Exchange Residential and Business Services at the avoided cost discount set forth to provide continued universal service support that is implicit in GTE's current retail services prices. This surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer for resale Basic Local Exchange Residential and Business Services without the interim surcharge, but subject to the following terms and conditions:

- A. DIRECT-TEL agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, DIRECT-TEL will (i) begin paying the monthly interim surcharge in accord with Appendix A, and (ii) make a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this Agreement.
- B. Notwithstanding any provision in this Agreement, GTE may, at its sole discretion and at any time, seek injunctive or other relief (i) requiring DIRECT-TEL to pay GTE's interim surcharge or (ii) requiring the Commission to immediately impose the interim surcharge.
- C. Nothing in this Agreement shall restrict or impair GTE from seeking injunctive relief or any other remedy at any time and in any court regarding GTE's interim surcharge or the Commission's rejection or modification of GTE's interim surcharge.

The avoided cost discount is 13.04%.

Non-Recurring Charges for Resale Services

Initial Service Order (per order)	\$47.25
Transfer of Service Charges (per order)	\$16.00
Subsequent Service Order (per order)	\$24.00
Customer Service Record Research (per request)	\$ 5.25
Resale Line Installation (per line)	\$10.50
Outside Facility Connection Charge*	\$62.50

* Per Tariff: This charge will apply when field work is required for establishment of new resale service. The terms, conditions and rates that apply for this work are described in GTE's retail local service tariffs.

Universal Service Fund (USF) Support Surcharge	
Residential (per line)	\$.45
Business (per line)	\$.60

APPENDIX B
SERVICE ORDERING, PROVISIONING, BILLING AND MAINTENANCE

1. Service Ordering, Service Provisioning, and Billing Systems Generally. The following describes generally the operations support systems that GTE will use and the related functions that are available for ordering, provisioning and billing for resold services. Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance shall be governed by the GTE Guide. Before orders can be taken, DIRECT-TEL will provide GTE with its Operating Company Number ("OCN") and Company Code ("CC") as follows:
 - (a) DIRECT-TEL must provide its OCN (four-digit alpha-numeric assigned by Bellcore or number administrator) on the DIRECT-TEL Profile. The GTE Guide provides the necessary information for DIRECT-TEL to contact Bellcore to obtain the OCN. There are no optional fields on the Profile.
 - (b) Before the Local Service Request ("LSR") and Directory Service Request ("DSR") order forms can be processed DIRECT-TEL must provide the OCN and Customer Carrier Name Abbreviation ("CCNA").
- 1.1 Operations Support Systems for Resold Services
 - 1.1.1 DIRECT-TEL will also be able to order services for resale, as well as interim number portability, directly from GTE through an electronic interface. To initiate an order for these services, DIRECT-TEL will submit a Local Service Request ("LSR") from its data center to GTE's Data Center using an electronic NDM interface. If no NDM interface exists or if DIRECT-TEL chooses to establish a separate NDM interface, DIRECT-TEL must request an NDM facility. For new entrants that elect not to interface electronically, GTE will accommodate submission of LSR orders by facsimile, E-mail, Internet or a dial NDM arrangement. An LSR is very similar to an ASR, except that it will be used exclusively for line-side interconnection requests. GTE will transfer LSRs to GTE's NOMC centralized service order processing center electronically.
 - 1.1.2 Most LSRs will be used either to transfer an existing GTE customer to DIRECT-TEL or to request service for a new customer who is not an existing GTE customer. Depending on the situation, different information will be required on the LSR. LSRs for a conversion of a GTE local customer to DIRECT-TEL must include information relating to all existing, new and disconnected services for that customer, including the customer's name, type of service desired, location of service and features or options the customer desires. DIRECT-TEL will be able to obtain this customer information after GTE has received the customer's written consent as specified in Article IV, Section 6. For service to a new customer who is not an existing GTE customer, the LSR must contain the customer's name, service address, service type, services, options, features and Services data. If known, the LSR should include the telephone number and due date/desired due date.
 - 1.1.3 While DIRECT-TEL would have its own customer information and may have the SAG/GTE products on tape from GTE, DIRECT-TEL would not have the due date or new telephone number for new customers since that information is contained in GTE's systems. Therefore, a process is required to provide this information to

- 1.1.8 With the account established and any engineering and facility assignment complete, GTE then will transmit electronically a record to GTE's CZT field personnel if physical interconnection or similar activity is required. The CZT's will provision the service and then electronically confirm such provision in the SOLAR/SORCES system when completed. The accounts then will be transmitted to GTE's Customer Billing Services System ("CBSS"). GTE shall provide to DIRECT-TEL a service completion report. Call records for actual service provided to DIRECT-TEL's customers on GTE facilities will be transmitted from GTE's switches through some usage rating systems (BIP, UMS), screened and eventually delivered to CBSS for the generation of bills.
- 1.1.9 CBSS is a different system than CABS, and it is the one that GTE will utilize to produce the required bills for resold services and local number portability. CBSS will create a bill to DIRECT-TEL for resold services along with a summary bill master. Daily unrated records for intraLATA toll usage and local usage (incollect usage data will be provided on rated basis) on DIRECT-TEL's accounts will be generated and transmitted electronically to DIRECT-TEL.
- 1.1.10 On resold accounts, GTE will provide usage in EMR format per existing file exchange schedules. The usage billing will be in agreed upon level of detail for DIRECT-TEL to issue a bill to its end users.
- 1.1.11 GTE will provide DIRECT-TEL with detailed monthly billing information in a paper format until an agreed upon Electronic Data Interchange 811 electronic bill format is operational.
- 1.1.12 State or sub-state level billing will include up to ten (10) summary bill accounts.
- 1.1.13 GTE accepts DIRECT-TEL's control reports and agrees to utilize industry standard return codes for unbillable messages. Transmission will occur via the NDM. Tape data will conform to Attachment "A" of the LRDR. Data will be delivered Monday through Friday except for Holidays as agreed. Data packages will be tracked by invoice sequencing criteria. GTE contacts will be provided for sending/receiving usage files.
- 1.1.14 GTE will retain data backup for 45 Business Days. To the extent this retention is exclusively for DIRECT-TEL, DIRECT-TEL shall reimburse GTE for all expenses related to this retention.
- 1.1.15 In addition to the LSR delivery process, DIRECT-TEL will distribute directory assistance and directory listing information (together sometimes referred to hereafter as "DADL information") to GTE via the LSR ordering process over the NDM. GTE will provide listings service via its "listing continuity" offering.
- 1.1.16 Charges and credits for PIC changes ordered via an LSR will appear on the resale bill. As DIRECT-TEL places a request for a PIC change via LSR, the billing will be made on DIRECT-TEL account associated with each individual end user. GTE will process all PIC changes from IXCs that are received for DIRECT-TEL end users by rejecting back to the IXC with the DIRECT-TEL OCN. Detail is provided so that DIRECT-TEL can identify the specific charges for rebilling to its end user.
- 1.1.17 CMDS. The parties will provide for the distribution of intraLATA CMDS incollect messages and/or selected local measured service messages as follows:

1.1.17.1 Messages to be Screened. GTE receives CMDS I transmissions containing intraLATA incollect messages from the state RBOC CMDS host each Business Day. Per DIRECT-TEL's request, GTE will screen the incollects by NPA and line number and accumulate the Collect, Third Number Billed and Credit Card (collectively called incollects) messages in a data file. The screening will be for end users who have chosen DIRECT-TEL as their local service provider through a Resale or Unbundled Network arrangement. The screened incollect messages and any Local Measured Service (LMS) usage will be accumulated and forwarded to DIRECT-TEL. The Parties will mutually agree on the frequency of the data exchange and the method of transmission (i.e., magnetic tape or direct electronic transmission). GTE will forward the screened messages in the industry standard EMR format. GTE IntraLATA toll messages that are recorded by GTE and dialed on a one plus or zero plus basis are not part of this section and will not be screened.

1.1.17.2 Compensation. GTE will bill DIRECT-TEL monthly for all services related to the screening, accumulating, processing and transmitting of incollect messages and LMS usage, if applicable, at a reasonable and mutually agreeable charge. In addition, any message processing fee associated with DIRECT-TEL's incollect messages that are charged to GTE by the CMDS Host will be passed on to DIRECT-TEL on the monthly statement. All revenue, surcharges, taxes and any other amounts due to the CMDS Host for DIRECT-TEL's incollect messages will be billed on the monthly statement. It is DIRECT-TEL's responsibility to bill and collect all incollect and LMS amounts due from its end users. The incollect and LMS revenue amounts that are listed on the monthly invoice are payable to GTE in total. The Parties agree that the arrangement for invoicing the incollect and LMS revenue amounts due GTE is not a settlement process with DIRECT-TEL.

1.1.17.3 Administration. The Parties agree to develop a process whereby DIRECT-TEL's end user information is available in a timely manner to allow GTE to build tables to screen the CMDS incollect files and LMS files on behalf of DIRECT-TEL.

1.1.18 Backbilling. GTE shall bill DIRECT-TEL on a timely basis. In no case shall GTE bill DIRECT-TEL for previously unbilled charges that are for more than one year prior to the current bill date.

1.2 Order Processing.

1.2.1 Order Expectations. DIRECT-TEL agrees to warrant to GTE that it is a certified provider of telecommunications service. DIRECT-TEL will document its Certificate of Operating Authority on the DIRECT-TEL Profile and agrees to update this DIRECT-TEL Profile as required to reflect its current certification. The Parties agree to exchange and to update end user contact and referral numbers for order inquiry, trouble reporting, billing inquiries, and information required to comply with law enforcement and other security agencies of the government. The Parties also agree to exchange and to update internal order, repair and billing point of contacts. Prior to submitting an order under this Agreement, DIRECT-

TEL shall obtain such documentation as may be required by state and federal laws and regulations.

- 1.2.2 GTE shall provide DIRECT-TEL with a specified customer contact center for purposes of placing service orders and coordinating the installation of services. These activities shall be accomplished by telephone call or facsimile until electronic interface capability has been established. The Parties adopt the OBF LSR and DSR forms for the ordering, confirmation and billing of resale services.
- 1.2.3 GTE will process such service orders during normal operating hours, at a minimum on each Business Day between the hours of 8 a.m. to 8 p.m. Eastern Time and shall implement service orders within the same time intervals used to implement service orders for similar services for its own users.
- 1.2.4 GTE will provide current GTE customer proprietary network information (name, address, telephone number and description of services provided by GTE including PIC and white page directory listing information) as provided in Article V, Section 3. The return of customer information will be via facsimile or via electronic transmission.

2. Maintenance Systems

2.1 General Overview

- 2.1.1 If DIRECT-TEL requires maintenance for its local service customers, DIRECT-TEL will initiate a request for repair (sometimes referred to as a "trouble report") by calling GTE's Customer Care Repair Center. During this call, GTE service representatives will verify that the end-user is a DIRECT-TEL customer and will then obtain the necessary information from DIRECT-TEL to process the trouble report. While DIRECT-TEL representatives are still on the line, GTE personnel will perform an initial analysis of the problem and remote line testing for resale services. If engineered services are involved, the call will be made to the GTE SSCC for handling. If no engineering is required and the line testing reveals that the trouble can be repaired remotely, GTE personnel will correct the problem and close the trouble report while DIRECT-TEL representatives are still on the line. If on-line resolution is not possible, GTE personnel will provide DIRECT-TEL representatives a commitment time for repair, and the GTE personnel then will enter the trouble ticket into the GTE service dispatch queue. DIRECT-TEL's repair service commitment times will be within the same intervals as GTE provides to its own end users. Maintenance and repair of GTE facilities is the responsibility of GTE and will be performed at no incremental charge to DIRECT-TEL. If, as a result of DIRECT-TEL-initiated trouble report, trouble is found to be the responsibility of DIRECT-TEL (e.g., non-network cause) GTE will charge DIRECT-TEL for trouble isolation. DIRECT-TEL will have the ability to report trouble for its end users to appropriate trouble reporting centers 24 hours a day, 7 days a week. DIRECT-TEL will be assigned a customer contact center when initial service agreements are made.
- 2.1.2 Repair calls to the SSCC for engineered services will be processed in essentially the same manner as those by the GTE Customer Care Center. GTE personnel will analyze the problem, provide the DIRECT-TEL representative with a commitment time while they are still on the line, and then place the trouble ticket in the dispatch queue.

3.4 DIRECT-TEL shall be responsible for modifying and connecting any of its pre-ordering and ordering systems with GTE provided interfaces as described in this Appendix.

4. GTE Initiated Electronic System Redesigns. GTE will not charge DIRECT-TEL when GTE initiates its own electronic system redesigns/reconfigurations.

**APPENDIX 45A
GTE TERMS**

Pursuant to Article III, Section 45 of this Agreement, the following terms shall be applied in place of the terms in Appendix 45B (AT&T Terms) in the event the terms from the selected arbitrated agreement are deemed to be unlawful, or are stayed or enjoined by a court or commission of competent jurisdiction.

The Resale Terms in Article V will apply.

The Resale Discount in Appendix A will apply.

APPENDIX 45B
TERMS ADOPTED FROM THE GTE/AT&T ARBITRATION AGREEMENT
FLORIDA

PART I LOCAL SERVICES RESALE

24. Telecommunications Services Provided for Resale

Upon request by AT&T in accordance with Attachment 4 and subject to the restrictions contained in Section 25.3 hereunder, GTE shall make available to AT&T at the applicable rate set forth in Attachment 14, any Telecommunications Service that GTE currently offers or may hereafter offer at retail to subscribers that are not telecommunications carriers. Such Telecommunications Services provided by GTE pursuant to this Section are collectively referred to as "Local Services."

25. General Terms and Conditions for Resale

25.1 Ordering

25.1.1 Orders for resale of Local Services will be placed utilizing a standard Local Service Request ("LSR") form. A complete and accurate LSR must be provided by AT&T before a request can be processed; provided, however, that immaterial deviations or omissions in the LSR will not prevent an order from being processed. Each Party shall transfer the customer's service features and functionalities "as is" to the other Party when requested by a customer. For purposes of this Section 25, an "as is transfer" is the transfer of all the telecommunications services and features available for resale that are currently being provided for the specified account without the requirement of a specific enumeration of the services and features on the LSR.

25.1.2 A Letter of Authorization ("LOA") will be required before Local Services will be provided for resale to a subscriber that currently receives local exchange service from GTE or from a local service provider other than AT&T. Such LOA may be a blanket letter of authorization (Blanket LOA) or such other form as agreed upon by AT&T and GTE. When a Blanket LOA has been provided by AT&T, GTE shall not require an additional disconnect order, LOA or other writing from a customer, or another LEC, in order to process an order for Local Service. Each Party will provide the capability for customers to retain their current phone number in the event that they change local service providers to the extent technically feasible, allowing them to retain all existing features and functionalities.

25.3 Restrictions on Resale

To the extent consistent with the applicable rules and regulations of the FCC and the Commission, AT&T may resell all GTE Local Services as defined in GTE's tariffs. The following restrictions shall apply to the resale of Local Services, as described in Section 24 of this Agreement by AT&T: (i) AT&T shall not resell residential services to non-residential end users; (ii) AT&T shall not resell Lifeline/Linkup services or any other means-tested service offering, to nonqualifying customers; and (iii) AT&T shall resell grandfathered services only to customers qualified to receive such services from GTE.

Attachment 14

Appendix 1 - Annex 1 - Schedule of Wholesale Discounts

Florida

Basic Local Service (Residence & Business)	13.04%
Line Charge	13.04%
Usage Charge	13.04%
Features	13.04%
Listing Charges	13.04%
Non-recurring Charges	13.04%
Toll Service	13.04%
Operator Services	13.04%
Directory Assistance	13.04%
Business Trunk and Service Arrangements	13.04%
ISDN Services	13.04%
CENTRANET Services	13.04%
Private Line Services	13.04%
Inbound/Outbound Services	13.04%
Promotional Offerings (90 days or more)	13.04%
Promotional Offerings (less than 90 days)	Not subject to wholesale discount
Services for disabled persons (including free directory assistance)	13.04%
In Contact Services	13.04%
Public and Semi-Public Payphone Services	13.04%
Contract Services	13.04%
Grandfathered Services	13.04%
All other retail Telecommunications Services not excluded from resale by order of the Commission	13.04%