

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

May 29, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (SIRIANNI) *AMS*
DIVISION OF LEGAL SERVICES (STOVER) *MB*

RE: DOCKET NO. ~~970366~~-TP - REQUEST FOR APPROVAL OF
INTERCONNECTION, RESALE, AND UNBUNDLING AGREEMENT
NEGOTIATED BY WINSTAR WIRELESS, INC. AND BELL SOUTH
TELECOMMUNICATIONS, INC.

AGENDA: JUNE 10, 1997 - REGULAR AGENDA - PARTIES MAY PARTICIPATE

CRITICAL DATES: COMMISSION MUST APPROVE OR DENY BY 6/22/97 PER
TELECOMMUNICATIONS ACT OF 1996

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\970366TP.RCM

CASE BACKGROUND

On March 24, 1997, WinStar Wireless, Inc. and BellSouth Telecommunications, Inc. (BellSouth) filed a request for approval of their interconnection, resale, and unbundling agreement. The agreement was executed on August 23, 1996, and the parties are seeking approval of the agreement under the Telecommunications Act of 1996.

DOCUMENT NUMBER-DATE

05409 MAY 29 97

FPSC-RECORDS/REPORTING

DOCKET NO. 970366-TP
DATE: May 29, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the proposed interconnection, resale, and unbundling agreement between WinStar Wireless, Inc. and BellSouth?

RECOMMENDATION: Yes. The Commission should approve the proposed interconnection, resale, and unbundling agreement between WinStar Wireless, Inc. and BellSouth. The Commission should require WinStar Wireless, Inc. and BellSouth to file any subsequent supplements or modifications to their agreement for Commission review under the provisions of 47 U.S.C. § 252(e). (Sirrianni)

STAFF ANALYSIS: As stated in the Case Background, WinStar Wireless, Inc. and BellSouth are seeking approval of their interconnection, resale, and unbundling agreement (Attachment A) under the Telecommunications Act of 1996 (the Act). Both the Act and revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. If the parties reach a negotiated agreement, under 47 U.S.C. § 252(e), the agreement is to be filed with the state commission for approval. 47 U.S.C. § 252(a)(1) requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under 47 U.S.C. § 252(e)(4), the state commission must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved. However, approval of this agreement by the Commission in no way constitutes a determination that BellSouth has met the requirements of Section 271 of the Act.

The agreement is a three year agreement governing the relationship between the companies regarding interconnection, unbundling, and resale of various services. The agreement provides the rates and terms regarding local interconnection, including points of interconnection, meet point arrangements, and local interconnection trunk arrangements. BellSouth and WinStar Wireless, Inc. also agree that BellSouth will provide certain unbundled elements if requested, including unbundled loops and ports, channelization systems, operator call completion services, access to databases and associated signaling necessary for call routing and completion, and access to its centralized message distribution system. In addition, the agreement includes the rates at which WinStar Wireless, Inc. will purchase services from BellSouth for resale, which are discounted from BellSouth's retail rates for the telecommunications service. The discounts are 18% for residential and 12% for business telecommunications services. Staff has reviewed the WinStar Wireless, Inc. and BellSouth proposed

DOCKET NO. 970366-TP
DATE: May 29, 1997

agreement for compliance with the Act and recommends that the Commission approve it.

ISSUE 2: Should Docket No. 970366-TP be closed?

RECOMMENDATION: Yes, with the adoption of staff's recommendation in Issue 1, and issuance of the Commission's order approving the agreement, Docket No. 970366-TP should be closed. (Stover)

MASTER INTERCONNECTION AGREEMENT

This Master Interconnection Agreement (the "Agreement") is entered into effective the 22nd day of August, 1996 by and between the telecommunications entities set forth on Exhibit A hereto (referred to as "WinStar", "Company" or as the "Companies") and BellSouth Telecommunications, Inc. ("BellSouth") (collectively the "Parties") for the purpose of determining the rates, terms, and conditions for the interconnection of the Parties' telecommunication networks within the States of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee (the "Territory").

RECITALS AND PRINCIPLES

- A. BellSouth is a Local Exchange Carrier authorized to provide certain telecommunications services within specific service areas in the Territory;
- B. BellSouth has been and continues to be the incumbent provider of local exchange telephone service within its service areas in the Territory;
- C. The Companies have made application and have been granted authority to provide local exchange telephone services in portions of the Territory and will continue to expand their authority to provide such services throughout the entire Territory including, without limitation, areas within BellSouth's service areas in the Territory for the purpose of providing alternative or competitive services;
- D. The Parties desire to interconnect their telecommunications networks and facilities, purchase unbundled services and features, and exchange traffic so that their respective customers may communicate with each other over and through such networks and facilities;
- E. The Parties desire to enter into this Agreement consistent with all applicable federal, state and local statutes, rules and regulations in effect as of the date of its execution including, without limitation, the Act at Sections 251, 252 and 271; and
- F. The Parties enter into this Agreement for the purpose of facilitating the introduction of local exchange telephone competition on an expedited basis and avoiding the uncertainty and expense of mediation, arbitration and/or litigation and to establish the rates, terms, conditions and mechanisms necessary to facilitate such competition.

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

ARTICLE I

DEFINITIONS

1.01. Act - means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.

1.02 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.

1.03 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 in the Territory.

1.04 Alternate Local Exchange Carrier ("ALEC") - means any local exchange telecommunications company authorized to provide telecommunications services or exchange services in one or more areas of the Territory after January 1, 1995.

1.05 Automated Report Management Information System ("ARMIS") - means the most current ARMIS 4308 report issued by the Federal Communications Commission ("FCC").

1.06 Bell Communications Research ("Bellcore") - means an organization owned jointly by the seven Bell regional holding companies that conducts research in development projects for its seven owners, including development of new telecommunications services. Bellcore also provides certain centralized technical and management services for the regional holding companies.

1.07 Calling Party Number ("CPN") - means a Common Channel Signaling parameter which refers to the number transmitted through the network identifying the calling party.

1.08 Central Office Switch, ("Central Office") ("CO") - means a switching entity within the public switched telecommunications network, including but not limited to:

a. End Office Switches which are Class 5 switches from which end user Telephone Exchange Services are directly connected and offered.

b. Tandem Office Switches or Tandems which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

1.09 Billing Number - means the number to which charges for a call are billable.

1.10 Carrier Identification Code ("CIC") - means a three or four digit number assigned to an IXC that identifies that carrier's traffic.

1.11 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.

1.12 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.

1.13 Common Channel Interoffice Signaling ("CCIS") - means a signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link using SS7 protocol.

1.14 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.

1.14a. Customer means a third-party residence or business, including a third party wireless service provider for as long as the wireless carrier is not considered an ALEC by the FCC or, in a given state, a Commission, that subscribes to Telecommunications Services provided by either of the Parties.

1.15 Customer Local Area Signaling Services ("CLASS") - means features available to end users based on the availability of CCIS. Class features include, but are not necessarily limited to: Automatic Callback; Call Trace; Caller ID and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection.

1.16 Digital Signal - Level 0 ("DS-0") - means a digital signal rate of 64 Kilobits per second ("Kbps").

1.17 Digital Signal - Level 1 ("DS-1") - means a digital signal rate of 1.544 Megabits Per Second ("Mbps").

1.18 Digital Signal - Level 3 ("DS-3") - means a digital signal rate of 44.736 Mbps.

1.19 Electronic File Transfer - means any system/process which utilizes an electronic format and protocol to send/receive data files.

1.20 Exchange Access - means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services from or to Exchange Service customers in a given area pursuant to a switched access tariff. Exchange Access does not include traffic exchanged between LECs and ALECs for purpose of local traffic interconnection.

1.20a Exchange Message Record ("EMR") - means the standard used for exchange of Telecommunications message information among Telecommunications providers for billable, non-billable, sample, settlement and study data. EMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

1.21 Exchange Service - means the definition of telephone exchange service found at §3(1)(A) and (B) of the Act which shall be interpreted to include any services, regardless of whether wireline or wireless, offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Exchange Service includes basic residence and business line service, PBX trunk line service, pay phone access line service, Centrex line service and ISDN line services. Exchange Service does not include Private Line, Exchange and Special Access services.

1.22 Feature Group A ("FGA") - means the FGA Access, which is available to all customers, provides line side access to Telephone Company end office switches with an associated seven digit local telephone number for the customer's use in originating and terminating communications to an Interexchange Carrier's Service.

1.23 Feature Group B ("FGB") - means the FGB Access, which is available to all customers, except for the termination of originating calls placed over FGD by AT&T, provides trunk side access to Telephone Company end office switches with an associate uniform 950-0XXX or 950-1XXX access code for the customer's use

1. 29, 1997
in originating and terminating communications to an Interexchange Carrier's Service.

1.24 **Feature Group D ("FGD")** - means the FGD Access, which is available to all customers, provides trunk side access to Telephone Company end office switches with an associated uniform 10XXX access code for the customer's use in originating and terminating communications. FGD Access may also be used to originate and terminate 800 and 900 Access Service calls. FGD Access may be used to originate 950-XXXX calls where the customer has elected the FGD with 950 access feature.

1.25 **Interconnection** - means the connection of equipment and facilities within, between or among networks for the transmission and routing of Exchange Service and Exchange Access. Interconnection shall include nondiscriminatory access to signaling systems, routing databases, facilities and information and provision of Service Provider Number Portability as required to ensure interoperability of networks and efficient, timely provision of services to ~~customers~~ Customers *NS* without permitting access to ~~customers~~ proprietary network information, unless otherwise permitted. Interconnection shall also include dialing parity as defined by the Act at Section 3(a)(39). *Res*

1.26 **Interexchange Carrier ("IXC")** - means a telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and ~~also~~ authorized by a state Commission to provide long distance communications services but not Exchange Services within the state borders (except under separate authority as a LEC or ALEC).

1.27 **Integrated Services Digital Network ("ISDN")** - means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.

1.28 **Local Access and Transport Area ("LATA")** - as defined by the Act, means a contiguous geographic area - (A) established before the date of enactment of the Act by a BellSouth operating company such that no exchange area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or state, except as expressly permitted under the AT&T consent decree; or (B) established or modified by a BellSouth operating company after such date of enactment and approved by the Commission.

1.29 **Local Exchange Routing Guide ("LERG")** - means Bellcore reference customarily used to identify NPA-NXX routing and homing information as well as network element and equipment designations.

1.30 Local Exchange Carrier ("LEC") - means any person or entity engaged in the provision of Exchange Service or Exchange Access. For purposes of this Agreement, BellSouth is the incumbent LEC.

1.31 Local Traffic - means any telephone call that originates and terminates in the same LATA and is billed by the originating party as a local call, including any call terminating in an exchange outside of BellSouth's service area with respect to which BellSouth has a local interconnection arrangement with an independent LEC, with which the Companies are not directly interconnected.

1.32 Local Interconnection Trunks/Trunk Groups - means equipment and facilities that provide for the termination of Local Traffic and intraLATA toll telephone traffic.

1.33 Meet-Point Billing - means an arrangement whereby two Exchange Access providers (including a LEC and a ALEC) provide Exchange Access to an IXC and each such provider receives its share of the tariffed element revenues by agreement.

1.33a Mid-Span Meet - means an interconnection architecture whereby two carriers mutually agree to jointly plan and engineer their facility meet-point at a designated location by means of a fiber splice or other transmission facility, including a 38 GHz transmission facility. Mid-Span Meet includes, but is not limited to, a Wireless Meet.

alt

1.34 Multiple Exchange Carrier Access Billing ("MECAB") - means the document prepared by the Billing Committee ~~and~~ under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS") and by Bellcore as Special Report SR-BDS-000983, containing the recommended guidelines for the billing of Exchange Access provided by two or more LECs and/or ALECs, or by one LEC in two or more states within a single LATA, as it is amended from time to time.

1.35 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 LECs and/or ALECs.

1.36 Mutual Traffic Exchange - means that the sole compensation to a

Party for termination of specified categories of traffic shall be the reciprocal services provided by the other Party. Each Party shall bill its own customers for such categories of traffic and retain all revenues resulting therefrom.

1.37 North American Numbering Plan ("NANP") - means the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.

1.38 Numbering Plan Area ("NPA") - means an area code 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.

1.39 NXX Code ("NXX"), Central Office Code ("CO Code") - means 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 containing 10,000 station numbers.

1.40 OZZ Codes - define FGD call paths through a LEC's access Tandem Office Switch.

1.41 Percent Local Usage ("PLU") - means a calculation representing the ratio of the local minutes to the sum of local and intraLATA toll minutes and interLATA minutes, if any, between LECs sent over Local Interconnection Trunks. PLU does not include directory assistance, busy line verification, busy line verification interrupt, 900 and 976 calls.

1.42 Rating Point - means the vertical and horizontal coordinates associated with a particular telephone number for rating purposes.

1.43 Routing Point - means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bears a certain NPA-NXX designation and is employed to calculate mileage measurements for the distance-sensitive transport element charges of Exchange Access Services.

1.44 Signal Transfer Point ("STP") - means a packet switching function that routes signaling messages among Service Switching Points ("SSPs"), Service Control Points ("SCPs"), Signaling Point ("SPs"), and other STPs in order to set up

calls and to query databases for advanced services.

1.45 **State** - means a state within the Territory, as the context requires.

1.45a. **Telecommunications Service** - is As Defined in the Act.

1.46 **Territory** - means all portions of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee in which BellSouth or an affiliate is authorized, or may in the future be authorized, to provide Exchange Services and maintain a Central Office and in which the Companies or their affiliates at any time during the term of this Agreement are authorized to provide Exchange Services and also maintain a Central Office.

1.47 **Transit Calls or Intermediary Function** - means intraLATA calls (local and toll) sent between the Parties originating from or terminating to an end user of a third-party LEC, ALEC, wireless provider, or other carrier or calls sent between the Parties destined for or originating from an IXC.

1.48 **Toll Free Service** - means service provided with any dialing sequence that invokes toll-free (i.e. 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 800/888 NPA SAC codes.

1.49 **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. However, for purposes of Expanded Interconnection Service ("EIS"), Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.

1.49a. **Wireless Meet** - means an interconnection architecture method whereby the Parties physically interconnect their networks via a radio interface at a mutually agreed-upon location.

1.50 **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.

ARTICLE II
EFFECTIVENESS: TERM

2.01 The Parties shall file this Agreement with the appropriate Commissions as soon as practicable following its execution in accordance with the Act and unless rejected by any Commission, it shall become effective pursuant to its terms with respect to any State in the Territory when approved by the appropriate Commission or when deemed approved under the Act. The Parties recognize that, as of the date of execution of this Agreement, the Company has received authority to operate as an ALEC in the States of Florida, Georgia and Tennessee and accordingly, as mutually agreed between the Parties and in recognition of the requirements or request of any given Commission, may or may not file this Agreement for approval with any Commission other than those of the States of Florida, Georgia and Tennessee, until such time as the Company receives ALEC authority in such other States.

2.02 The Parties agree to interconnect their networks pursuant to the terms of this Agreement in each State in the Territory for a period of three (3) years from the date of execution of this Agreement, and thereafter the Agreement shall continue in full force and effect unless and until terminated as provided herein.

2.03 Upon delivery of written notice at least one hundred sixty (160) days prior to the expiration of this Agreement, any Party may require negotiations of the rates, terms, and conditions of the interconnection arrangements to be effective upon such expiration. Unless deemed to be inconsistent with the Act, if the Parties are unable to satisfactorily negotiate such new terms within 135 days of commencing the negotiations, any Party may petition the Commission in any state within the Territory to arbitrate any unresolved issues. In the event that any Commission does not issue its order prior to the scheduled expiration date in such State, the Parties agree that the rates, terms and conditions ultimately ordered by such Commission or negotiated by the Parties will be effective retroactive to the expiration date. Until the revised interconnection arrangements become effective, the Parties shall continue to exchange traffic pursuant to the terms of this Agreement.

ARTICLE III
TECHNICAL PROVISIONS

The Parties shall agree to interconnect their respective networks in the Territory for the purpose of terminating calls intended for a customer of one of the Parties and for Transit Calls.

3.01 Interconnection Obligation. The Parties agree to interconnect their networks through facilities to be established pursuant to this Agreement between the Companies' Central Offices and BellSouth's Central Offices as designated by

the Companies from time to time. Such interconnections shall be equal in quality to that provided by the Parties to themselves or to any subsidiary, affiliate, or Third Party. For purposes of this Agreement, "equal in quality" means the same or functionally equivalent interface specifications, provisioning and service intervals, and maintenance, testing and repair performance.

3.02 POI. For each BellSouth Central Office where a Company and BellSouth interconnect for the exchange of local and intraLATA toll and meet point access traffic, the Company and BellSouth agree that there will be Point(s) of Interconnection ("POI") located at the demarcation point between the Company's network and BellSouth's Central Office. Subject to the Act, a Company may elect to establish the POI for each such Central Office through physical collocation, virtual collocation, or via a Mid-Span Meet; pursuant thereto, either Party may purchase transport facilities from the other Party. BellSouth shall not charge rearrangement, reconfiguration, disconnection or other non-recurring fees associated with the reconfiguration of the Company's Interconnection arrangement at any BellSouth Central Office.

WinStar will be subject to fees for collocation according to BellSouth's collocation tariffs or a negotiated license agreement. WinStar will be subject to fees for the location of antenna equipment on BellSouth's rooftops, towers, or other premises. The fees paid by WinStar will depend upon the specific collocation arrangements which are chosen by WinStar. BellSouth will charge WinStar the same price that any other similarly situated collocator, either wireless or wireline, is charged for the same service.

3.03 Sizing and Structure of Interconnection Facilities. The Parties shall each determine the appropriate sizing for its Interconnection facilities based hereunder on the standards set forth in Section XI, below. The interconnection facilities provided by each Party shall be at either the DS-0, DS-1 or DS-3 level, according to mutual forecasts and sound engineering practice, as mutually agreed to by the Parties during joint planning - forecasting meetings which shall be held not less than semi-annually.

3.04 Trunks. Interconnection for local and intraLATA toll traffic will be provided via one-way trunks, or such interconnection may be provided via two way trunks by issuance of an ASR from a Company. Two-way trunks will be established to exchange interLATA toll and meet point access traffic. No Party will construct facilities which require another Party to build unnecessary facilities.

3.04a The Parties acknowledge that WinStar's preferred method of Interconnection for local and intraLATA toll traffic is via two-way trunks, and shall jointly cooperate to explore use of two-way trunks whereby all traffic between any

two switches in their respective networks may be consolidated onto a single trunk group. In addition, to the extent BellSouth enters into an arrangement in the Territory with any other ALEC whereby two-way trunks are employed as the method of interconnection for local and intraLATA toll traffic, then BellSouth will so inform WinStar of this arrangement and offer it to WinStar under the same financial and technical terms and conditions as BellSouth has offered to another carrier. Alternately, at such time as the FCC Order in CC Docket No. 96-98 becomes final and effective with respect to two-way trunking (as currently embodied in Section 51.305(f) of that Order adopted August 1, 1996), and at such time, at WinStar's option, trunking for interconnection for local and intraLATA toll traffic will be reconfigured to be via two-way trunks if the configuration at that time conforms with the requirements for two way trunks under the FCC's Order.

3.05 Signaling Protocol. The Parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCIS-based features. The Companies will establish outgoing multifrequency ("MF") trunks to BellSouth for 911 traffic. The Parties will interconnect their network using two-way MF signaling for traffic originating from carriers that do not have SS7 networks.

3.06 In the event BellSouth must decommission a Central Office or switch, BellSouth shall not charge the Companies for moving EIS/collocation arrangements.

3.07 Pursuant to Section 251(c)(5) of the Act, BellSouth shall provide, when possible ninety (90) days written notice, but no less than forty-five (45) days written notice, to the Companies before making any changes to BellSouth's network configuration that may have an impact on the Companies' interconnection, facilities, network or operations. In addition, the Parties will comply with the Network Disclosure rules adopted by the FCC in CC Docket No. 86-79 as may be amended from time to time.

3.08 - Nothing herein shall prevent any Company from utilizing existing collocation facilities, purchased from the interexchange tariffs, for local interconnection; provided, however, that if a Company orders new facilities for interconnection or rearranges any facilities presently used for its alternate access business in order to use such facilities for local interconnection hereunder and a BellSouth charge is applicable thereto, BellSouth shall only charge such Company the lower of the interstate or intrastate tariffed rate or promotional rate.

3.09 ALEC to ALEC Connections. BellSouth will allow WinStar and all other carriers collocated at the same BellSouth Central Office to directly connect

their facilities at such Central Office for the purpose of exchanging Local Traffic without use of the BellSouth Tandem Office Switch. Tariffed cross connect charges shall apply, except in those instances where a Commission may otherwise have directed in an effective order. However, to the extent that BellSouth appeals such order in a manner that stays the effectiveness of that order, then the order will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order by a Commission can delay the effectiveness of such order when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective order is in place, WinStar at its option will be entitled to connect to another carrier pursuant to the terms of such effective order.

3.10 Interconnection Facilities. The Parties will use fiber transmission, 38 GHz wireless transmission, or other transmission facilities to physically interconnect their networks.

ARTICLE IV

MEET-POINT TRUNKING ARRANGEMENTS

4.01 Two-way meet point trunks which are separate from the Local Interconnection Trunk Groups will be established to enable the Company and BellSouth to provide Exchange Access Services to IXCs via a BellSouth Central Office. No Party shall charge the other any amount for any meet point facilities unless one Party is ordering trunks from the other.

4.02 The Parties will provide CCIS to each other, where and as available, in conjunction with meet point two-way trunk groups. Companies may establish CCIS interconnections either directly or through a third-party. The Parties will exchange TCAP messages to facilitate full inter-operability of CCIS-based features between their respective networks, including all CLASS features and functions to its own end users. The Parties will provide all CCIS signaling, Billing Number, originating line information ("OLI") and any other such similar service. For terminating FGD, BellSouth will pass CPN if it receives CPN from FGD carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (CCIS platform) and OZZ/CIC information (non-CCIS environment) will be provided by a Company whenever such information is needed for call routing or billing. The Parties will follow all OBF adopted standards pertaining to TNS and OZZ/CIC codes.

4.03 CCIS shall be utilized in conjunction with two way meet point trunks; except MF signaling must be used on a separate meet point trunk group for originating FGD access to Exchange Access customers that use MF FGD signaling

protocol.

4.04 All originating Toll Free Service calls for which BellSouth performs the Service Switching Point ("SSP") function (e.g., performs the database query) shall be delivered by the Companies using GR-394 format over a trunk group designated for Toll Free Service. Carrier Code "0110" and Circuit Code of "08" shall be used for all such calls. In the event the Companies become a toll free service provider, BellSouth shall deliver traffic using the GR-394 format over a trunk group designated for Toll Free Service.

4.05 All originating Toll Free Service calls for which a Company performs the SSP function, if delivered to BellSouth, shall be delivered by the Company using GR-394 format over the meet point trunk group for calls destined to IXCs, or shall be delivered by the Company using GR-317 format over the Local Interconnection Trunk Group for calls destined to end offices that directly subtend BellSouth access tandems.

4.06 Originating Feature Group B calls shall be delivered to BellSouth's tandem using the InterLATA trunk groups.

4.07 The Parties agree: (a) to a multiple bill arrangement as described in MECAB; (b) to adopt MECAB as the terms and conditions for meet point billing for all traffic to which MECAB applies which includes traffic terminating to ported numbers; and (c) to employ a 30 day billing period for meet-point billing, and shall provide each other, at no charge and at least once a month, the Exchange Access detailed usage data.

4.08 Each Party will provide the other with the Exchange Access detailed usage data within fifteen (15) days of the end of the billing period. Each Party will provide to the other the Exchange Access summary usage data within fifteen (15) days of the date that a bill is rendered to the IXC by the initial billing party.

4.09 In the case of IXC traffic terminating to the Companies ported numbers, the Parties will, unless IXC actual minutes of use can be measured, account for access revenue on a State-by-State basis by using verifiable BellSouth/Company interstate and intrastate minutes of use reported on the applicable ARMIS report at the total IXC access rates applicable to BellSouth less the BellSouth/Company meet point access minutes at the meet point billing access rates applicable to BellSouth, with no other subtractions.

4.10 The meet point billing process in accordance with this Article shall apply to all Toll Free Service calls where the provider is an IXC. Each Party shall

be responsible for billing its portion of the charges described herein.

4.11 If any Party provides intermediary functions for network access service connection between an IXC and another Party, each Party will provide their own network access services to the IXC on a meet-point basis. The meet-point billing arrangement will be through the multiple bill. Each Party will bill its own network access services rates to the IXC with the exception of the residual interconnection charge. Each Party shall bill 50% of its residual interconnection charges in such case, including in those instances where ported numbers are involved..

ARTICLE V

INTERCONNECTION TRUNK ARRANGEMENT AND COMPENSATION

5.01 The Parties shall reciprocally terminate Local Traffic and intraLATA toll calls originating on each other's networks, as follows. Interconnection initially shall be at the Tandem level. Future interconnection between the Parties also may include end office to end office direct connections determined by joint engineering and planning and based on actual and forecasted traffic between the Parties.

a. The Parties initially shall make available to each other one-way trunks for the reciprocal exchange of Local Traffic and intraLATA toll traffic, subject to Section 3.04a *supra*.

b. The Parties will provide CCIS to one another in conjunction with all trunk groups where applicable. The Companies may establish CCIS interconnections either directly or through a third party. The Parties will exchange TCAP messages to facilitate full interoperability of CCIS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its own end users. All CCIS signaling parameters will be provided including CPN. All privacy indicators will be honored.

c. BellSouth will make available to the Companies, as needed, 64 Kbps Clear Channel Capability ("64K CCC") trunks. Upon receipt of the Companies' initial forecast of 64K CCC quantities, the Parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC Local Interconnection Trunk Groups, and the associated Bipolar 8 Zero Substitution (B8ZS) ESF facilities, for the principal purpose of transmitting 64K CCC data calls between the Company and BellSouth. Where such trunks and/or additional equipment is required, such equipment

and trunks will be obtained, engineered, and installed on the same basis and with the same intervals as any similar growth job for IXC, ALEC, or BellSouth internal customer demand for 64K CCC trunks. Where technically feasible, these trunks will be established as two-way.

d. The Companies may opt at any time to terminate to BellSouth some or all Local Traffic and IntraLATA toll traffic originating on its network via a combined two-way trunk group pursuant to Sections 3.04 and 3.04a, *supra*. In such case, the Company will provide a PLU to BellSouth or actual minutes of use.

e. No Party shall represent Exchange Access traffic as Local Interconnection Traffic.

f. BellSouth shall deliver all traffic destined to terminate at a Company's Central Office in accordance with the serving arrangements defined in the LERG.

g. When a Company delivers over the Local Interconnection Trunk Group miscellaneous non-local calls (i.e. time, weather, 900, Mass Calling Codes) destined for BellSouth, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.

h. Calls completed using N11 codes (i.e. 411, 511, 911) shall not be sent between the Companies and BellSouth's networks over the Local Interconnection Trunk Groups.

i. The Parties acknowledge that there are certain types of calls that require exchange of billing records between the Parties. These types of records include IntraLATA alternate billed calls (e.g. calling card, bill-to-third party, and collect records and LEC/ALEC-provided Toll Free Service records). The exchange of billing records for calls of this type that are IntraLATA will be handled through the existing CMDS processes. The payments of revenues for these types of calls will be handled through Calling Card and Third Number Settlement ("CATS") with the CMDS host and specific arrangements with BellSouth. The Parties will exchange records of Local Transit Traffic on the same basis as provided in Paragraph 4.08 with respect to Exchange Access meet point billing records.

5.02 Compensation for Call Termination. The following compensation rates shall apply for traffic delivered between the Parties pursuant to this Agreement.

a. The delivery of Local Traffic between Companies and BellSouth

shall be reciprocal and compensation shall be mutual and symmetrical. Subject to the method of calculation set forth in this Paragraph 5.02, the Parties shall pay each other \$.010 per minute of use for terminating Local Traffic (other than Transit Calls constituting Local Traffic) on each other's networks. The Parties acknowledge that this per minute compensation represents an average of the tariffed Exchange Access rates in all of the States within the Territory. If, for any reason, there is a decrease of any such tariffed Exchange Access rate, at any time during the term of this Agreement, in one or more States by an amount of \$.001 or more, the per minute rate of compensation required by this Paragraph 5.02(a) shall be automatically reduced by a corresponding amount. For example, for the purposes of this Agreement, the Parties have agreed that the tariffed Exchange Access rate in Tennessee is \$.018. If the Tennessee rate is reduced by \$.01, the per minute of use compensation to be paid pursuant to this Agreement shall be reduced to \$.009. In addition, to the extent that BellSouth may be directed by effective order of a Commission in any given state to provide compensation for call termination to another ALEC or ALECs at a rate other than that specified herein then, at WinStar's option, in that given jurisdiction WinStar and BellSouth will compensate each other for the delivery of Local Traffic at the rate specified by the Commission; however, to the extent that BellSouth appeals such order in a manner that stays the effectiveness of that order, then the order will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order by a Commission can delay the effectiveness of such order when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective order is in place, WinStar at its option will be entitled to ~~compensate another carrier~~ pursuant to the terms of such effective order. *Reciprocal compensation for call termination.*

b. For purposes of this Paragraph 5.02(b) there shall be four (4) calculation periods of six months each. In calculating the compensation required by Paragraph 5.02(a) no Party shall owe compensation to the other unless the net minutes of use (i.e., the difference between the Parties' minutes of use calculated by subtracting the lower number of minutes used by the Party with the lower number from the number of minutes used by the Party with the higher number) for terminating local traffic results in a dollar amount in excess of the amount designated for each month during the calculation period as follows:

1. During the first six month period of operation, there shall be no charges accrued, or compensation paid for the termination of local traffic; however, the Parties shall exchange billing

information and usage data during this initial period for the purpose of reviewing same for accuracy only;

2. During the second six month period, \$40,000 per month/ billing period;

3. During the third six month period, \$30,000 per month/ billing period;

4. During the fourth six month period, \$20,000 per month/ billing period; and

5. During the final twelve month period and during any extension of this Agreement pursuant to Article II, Paragraph 2.03, \$0 per month/billing period.

The Parties acknowledge and agree that any compensation which might accrue in an amount less than that required by this Paragraph shall be considered to be de minimis. The "initial six month period" for purposes of applying this de minimis rule in each State shall begin with the date the first call is completed under the Interconnection arrangement provided for herein in such State (excluding test periods prior to the actual in-service date), and each subsequent period shall begin when the prior period expires. As a result, the periods described in this Paragraph 5.02(b) may not run concurrently in the various States. In the event that the first call is completed on a date other than the first day of a month, the balance of that month shall be treated as included in the initial six month period, but such period will end on the last day of the sixth full calendar month after the date of such first call completion so that thereafter the six month periods referred to in this Paragraph 5.02(b) shall always be determined on a calendar month basis. In the event that the Parties so agree, monthly billing and calculation periods for any State under this Paragraph 5.02(b) may begin on a day other than the 1st day of a month.

c. If after applying the de minimis rule calculations in accordance with Paragraph 5.02(b) to a particular billing month a Party would be required to compensate another Party, the compensation due shall not exceed 105% of the total billed Local Traffic minutes of use of the Party with the lower total billed Local Traffic minutes of use in the same billing period. For this purpose the number of minutes of the Party with the lower total billed minutes of use shall be deemed to be such Party's actual billed

local minutes of use (excluding Local Traffic minutes of use constituting Transit Calls). Total billed Local Traffic minutes of use of a Party for purposes of this Paragraph shall be as recorded by the Party receiving the terminating traffic (subject to reconciliation with the Party originating the traffic if its recordings of such minutes of use materially differ) and shall be aggregated for each Party and any of its Affiliates providing local exchange telecommunications services under the Party's Certificate of Authorization. The Parties shall submit bills for terminating Local Traffic minutes of use on a monthly basis by the 30th day of the following month, but payment shall be due within 45 days after the end of the six month periods referred to in clauses (2)-(5) of Paragraph 5.02 (b).

d. The Parties will compensate each other on the basis of Mutual Traffic Exchange for the provision of intermediary tandem switching and transport services with respect to Transit Calls constituting Local Traffic.

e. The delivery of intrastate toll traffic between the Company and BellSouth shall also be reciprocal and compensation will be mutual. Each Party shall pay each other identical rates for terminating the same type of traffic on each other's network. The Parties will pay each other BellSouth's intrastate Exchange Access rate elements on a per minute of use basis for originating and terminating intrastate toll traffic as appropriate unless and until BellSouth may be directed by effective order of a Commission in any given state and/or the FCC to provide compensation for delivery of intrastate toll traffic (intraLATA and/or interLATA) to another ALEC or ALECs at a rate and/or basis other than that specified herein. However, to the extent that BellSouth appeals such order in a manner that stays the effectiveness of that order, then the order will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order by a Commission can delay the effectiveness of such order when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective order is in place, at WinStar's option, WinStar and BellSouth will compensate each other for the delivery of intrastate toll traffic pursuant to the terms of such effective order..

The following service elements shall apply to intraLATA toll calls (including Toll Free Service Calls whether the provider is a Company or BellSouth), except that certain elements may be inapplicable with collocation:

- Tandem switched transport:
- Fixed - per minute of use

- Variable - per minute per mile of use; provided, however, that an average mileage of 5 miles shall apply to all intraLATA toll traffic regardless of the actual mileage between the access tandem and the BellSouth end office.
- Tandem switching - per minute of use
- Interconnection charge (IC) - per minute of use
- Local switching - per minute of use
- Carrier Common Line - per minute of use
- 800 query charge - per query
- Record provisioning charge for intraLATA 800 records - per record

The applicable rates for the above elements can be found by reference to BellSouth access tariffs.

5.03 For intraLATA toll free service, access shall be charged by the Party originating the call rather than the Party terminating the call.

5.04 Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network.

5.05 Measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly billing cycle and then rounded to the next whole minute.

5.06 Late payment fees, not to exceed 1% per month may be assessed, if interconnection charges are not paid, within thirty (30) days of the due date.

5.07 For so long as BellSouth serves as numbering administrator within the Territory, BellSouth shall ensure that the Companies have on a nondiscriminatory basis sufficient numbering resources so that the Parties can distinguish Local Traffic (measured and flat rate) from intraLATA toll traffic. To the extent that BellSouth controls numbering resources and does not comply with the foregoing, all affected calls will be treated as Local Traffic to the extent that BellSouth cannot distinguish between Local Traffic and intraLATA toll traffic. Companies agree,

subject to the first sentence of this Paragraph, to use NXX codes in a manner that will allow BellSouth to distinguish Local Traffic (measured and flat rate) from IntraLATA toll traffic. In the event a third-party becomes numbering administrator, BellSouth agrees, if it is the Companies' CMDS host, to support the Companies' requests and assist the Company in obtaining Revenue Accounting Office codes, and any other billing and accounting codes necessary for the provision of local telephone numbers within BellSouth's jurisdiction. After final telecommunications numbering administration guidelines, plans or rules have been adopted pursuant to Section 251(e) of the Act, the Parties shall comply with such guidelines, plans or rules.

ARTICLE VI

OPERATIONAL MATTERS AND UNBUNDLED NETWORK FEATURES, FUNCTIONS AND CAPABILITIES.

6.01 A maintenance of service charge shall apply when any Party requests the dispatch of another Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:

- a. No trouble is found in the interconnection trunks; or
- b. The trouble condition results from equipment, facilities or systems not provided by the party whose personnel were dispatched; or
- c. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed Maintenance Limits.

6.02 If a maintenance of service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

6.03 Billing for maintenance of service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked will be categorized and billed at either basic time, overtime or premium time rates. No Party shall be entitled to charge overtime or premium time rates when it has regular staff available for its own customer or internal needs at the time maintenance of service is requested by the other Party.

6.04 The Parties will provide maintenance to their respective affected

service within the following intervals. In no circumstances will the standard maintenance intervals of each Party exceed the same intervals for the same or similar maintenance services under similar circumstances as provided by each Party to any other ALEC, LEC, IXC, or customer.

60% to 100% of service outage within a trunk group: within 1 hour
20% to 60% of service outage within a trunk group: within 4 hours
0% to 20% of service outage within a trunk group: within 8 hours

6.05 The charges for maintenance of service hereunder will be no higher than the applicable charges as set forth in BellSouth's E13 tariff. The Parties shall exchange maintenance of services contacts and escalation lists.

6.06 In answering misdirected repair calls, no Party shall make disparaging remarks about another, nor shall they use repair calls as the basis for internal referrals or to solicit customers to market services. Any Party may respond with factual information in answering customer questions.

6.07 All Parties shall provide their respective repair numbers to each other for purposes of customer referrals of misdirected repair calls.

6.08 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of all other Parties to provide Busy Line Verification ("BLV") and Busy Line Verification Interrupt ("BLVI") services on calls between their respective end users.

6.09 BLV and BLVI inquiries between operator bureaus shall be routed using network-routable access codes published in the LERG over inward operator services trunks.

6.10 If any Party purchases BLV or BLVI service, each Party shall charge for the provision of such service at the rates contained in their respective tariffs.

6.11 911 and E911 Service.

a. BellSouth shall provide a list consisting of each municipality in the Territory that subscribes to Basic 911 service. The list will also provide the E911 conversion date and for network routing purposes, a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to 911-service. The Companies shall arrange to accept 911 calls from their customers in municipalities that subscribe to Basic 911 service and translate the 911 call to the appropriate 10-digit directory number as specified on the list provided by BellSouth and route such call to BellSouth at the appropriate tandem or end office.

b. When a municipality converts to E911 service, the Companies shall discontinue the Basic 911 procedures and begin the E911 procedures. The Companies shall connect the necessary trunks to the appropriate E911 tandem(s). If a municipality has converted to E911 service, the Companies shall forward 911 calls to the appropriate E911 primary tandem, along with ANI, based upon the current E911 end office to tandem homing arrangement as provided by BellSouth.

c. In order to ensure the proper working of the system and accurate customer data, the Companies shall provide daily updates to the E911 data-base. BellSouth shall use best faith efforts to work with the Companies to define record layouts, media requirements, and procedures for this process. BellSouth will incorporate all updates received within 24 hours of receipt. BellSouth shall provide the capability for the Companies to transmit E911 information by file transfer to BellSouth's database facility or that of its agent.

d. Where BellSouth is responsible for maintenance of the E-911 database and is compensated for maintaining the Company's information by the municipality, it shall not also be entitled to compensation from the Company, for the same function.

6.12 MSAG. BellSouth shall provide to the Companies at no charge an initial Master Street Address Guide and quarterly updates by NPA, NXX or county.

6.13 Directory Listings and Directory Distribution.

a. Subject to execution of an agreement between BellSouth's affiliate, BellSouth Advertising and Publishing Co. ("BAPCO"), and the Companies attached as Exhibit B, the execution thereof to be a condition precedent to the effectiveness of this Agreement with respect to Directory Listings and Directory Distribution, (1) the Companies' customers' primary listings shall be included in the appropriate white page (residence and

business listings) or alphabetical directories, as well as the directory assistance data-base, (2) the Companies' business subscribers' listings will be included in all appropriate Yellow Pages or classified directories, and (3) copies of directories shall be delivered to Companies' customers; all without charge.

b. BellSouth shall provide the Companies with a magnetic tape or computer disk containing the proper format to employ in submitting directory listings and daily updates. The Companies shall provide BellSouth with its directory listings and daily updates to those listings (including new, changed and deleted listings) in a mutually acceptable format. BellSouth shall include the Company's customers in directory assistance databases associated with the areas in which each Company provides Exchange Services to such customers within the same time frame as it includes its own customers in such databases.

6.14 Number Portability.

a. The Parties agree to provide interim Service Provider Number Portability ("SPNP") on a reciprocal basis between their networks to enable their end user customers to utilize telephone numbers associated with an Exchange Service provided by one Party, in conjunction with an Exchange Service provided by the other Party, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service. The Parties shall provide reciprocal SPNP immediately upon execution of this Agreement via remote call forwarding ("RCF") or Direct Inward Dialing ("DID"). SPNP shall operate as follows:

b. A customer of Party A elects to become a customer of Party B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon documentation to be agreed upon by the Parties and an associated service order assigning the number to Party B, Party A will within two business days, implement a remote call forwarding (RCF) arrangement whereby all calls to the original telephone number(s) will be automatically forwarded on a multiple-path basis to (a) new telephone number(s) designated by Party B within the same area where the original NXX code is used. The Parties agree that RCF in conjunction with other service rearrangements including, but not limited to, unbundled loops and direct inward dialing (DID) arrangements may require a time to provision which exceeds two days. Party A will route the forwarded traffic to Party B over the appropriate trunks as if the call was a call which had originated on Party A's network.

c. Party B will become the customer of record for the original Party A telephone numbers subject to the RCF arrangements. Party A will provide Party B a single consolidated master billing statement for all collect and billed-to 3rd-number calls associated with those numbers, with sub-account detail by retained number. Such billing statement shall be delivered via paper, electronic file transfer, daily magnetic tape or monthly magnetic tape (for which monthly option there shall be no charge). Party A shall provide to Party B the EMR detailed records associated with the calls reflected on the master billing statement.

d. Party A may cancel line-based calling cards and will, as directed by Party B, update its Line Information Database ("LIDB") listings for retained numbers subject to RCF, subject to execution of the LIDB storage agreement in the form attached as Exhibit C.

e. Within two (2) business days of receiving notification from the customer, Party B shall notify Party A of the customer's termination of service with Party B, and shall further notify Party A as to the customer's instructions regarding its telephone number(s). Party A will reinstate service to the customer, cancel the RCF arrangement, or redirect the RCF arrangement pursuant to the customer's instructions at that time. Nothing herein shall preclude the customer or a third party with proper approval, or Party A, from dealing directly with the customer and carrying out the foregoing at the direction of the customer.

f. The Parties will migrate from RCF or DID to Permanent Number Portability as soon as practically possible, without interruption of service (to the degree possible) to their respective customers.

g. The Parties shall provide RCF arrangements to each other at identical monthly rates. Recurring charges shall not exceed the actual cost of providing the service. There shall be no non-recurring charges. Initially, until otherwise verified by reliable cost studies, actual cost for recurring charges are agreed to be as follows:

1. Residential Services - \$1.15 per line, including 6 call paths;
2. Business Service - \$2.25 per line, including 10 call paths; and
3. Each additional path - \$.50.

The Parties further recognize that the compensation formulation set forth above may need to be revised pursuant to the FCC's First Report and Order

and Further Notice of Proposed Rulemaking, in the Matter of Telephone Number Portability, released July 2, 1996 in CC Docket No. 95-116. The Parties expressly agree that the compensation formulation set forth above will be revised as necessary to reflect the effective legal directive(s) of the FCC and/or any applicable Commission in this regard. However, to the extent that BellSouth appeals such legal directive(s) in a manner that stays the effectiveness of that directive, then the directive will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that legal directive by a Commission can delay the effectiveness of such legal directive when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective legal directive is in place, WinStar at its option will be entitled to the benefit of the compensation formulation with respect to Telephone Number Portability set forth therein. Further, should BellSouth provide SPNP to any other ALEC within a state or states in BellSouth Territory on a basis other than that set forth above during the Term of this Agreement, then, within each such state, at WinStar's option, WinStar will be entitled to obtain SPNP from BellSouth on terms equal to those obtainable by such other ALEC.

h. DID service provides trunk side access to end office switches for direct inward dialing to the other Party's premises equipment from the telecommunications network to lines associated with the other Party's switching equipment and must be provided on all trunks in a group arranged for inward service. A SPNP-DID trunk termination, provided with SS7 Signaling only, charge (subject to Paragraph 6.14(i)) applies for each trunk voice grade equivalent. In addition, direct facilities are required from the end office where a ported number resides to the end office serving the ported end user customer. Transport mileage will be calculated as the airline distance between the end office where the number is ported and the POI using the V&H coordinate method. SPNP-DID must be established with a minimum configuration of two channels and one unassigned telephone number per switch, per arrangement for control purposes. Transport facilities arranged for SPNP-DID may not be mixed with any other type of trunk group, with no outgoing calls placed over said facilities. SPNP-DID will be provided only where such facilities are available and where the switching equipment of the ordering party is properly equipped. Where SPNP-DID service is required from more than one wire center or from separate trunk groups within the same wire center, such service provided from each wire center or each trunk group within the same wire center shall be considered a separate service. Only customer dialed sent paid calls will be completed to the first number of a SPNP-DID number group, however there are no restrictions on calls completed to other numbers of a SPNP-DID number group.

i. The Parties hereby agree to negotiate in good faith for a period of 30 days from the receipt by BellSouth of a written request from WinStar for SPNP through DID, such period to commence no soon than the effective date of this Agreement, with respect to the recurring and non-recurring charges, if any, for SPNP through DID. For this purpose, BellSouth shall provide Companies with its relevant cost studies, subject to applicable non-disclosure obligations. In the event that the Parties are unable to agree upon the applicable charges, the issue shall be resolved in accordance with the process set forth in Article XX.

j. Upon the final adoption of FCC regulations issued pursuant to Section 251(b)(2) of the Act, the Parties agree to comply with such regulations.

6.15 Unbundling. Upon request from the Companies, BellSouth will provide the Companies nondiscriminatory access to any and all network elements on an unbundled basis at any technically feasible point. Rates, terms and conditions for unbundled elements will be agreed to at the time of request pursuant to Section 252 (d)(1). The Parties agree that BellSouth will provide, if requested by the Companies, the items listed, without limitation, on Exhibit D hereto. BellSouth may add additional services at any time during the term of this Agreement upon written notice to the Companies. Further, to the extent BellSouth provides any other ALEC or LEC access to unbundled elements in any given state or states, regardless of whether on the basis of voluntary agreement, tariff, or pursuant to a legally effective directive (e.g., order or opinion of a Commission or arbitration award under the Act), BellSouth simultaneously will provide WinStar with access to those same unbundled elements on equivalent rates, terms and/or conditions in the effected state or states. However, to the extent that BellSouth appeals such legal directive in a manner that stays the effectiveness of that directive, then the directive will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that directive by a Commission can delay the effectiveness of such directive when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective directive is in place, WinStar at its option will be entitled to unbundled elements pursuant to the terms of such effective directive.

6.16 Access to Poles, Ducts, Conduits and Rights of Way.

Each Party shall provide the other Party access to its poles, ducts, rights-of-way, and conduits it owns or controls, to the extent permitted by law and as required by Section 224 of the Act or Commission Order, on terms, conditions, and prices equal to those offered to any other entity pursuant to each Party's applicable tariffs, contracts and/or standard agreements with such entities. Each Party shall

also provide the other Party access to the roofs, building entrance conduits, cable ducts, and risers it owns or controls to the extent permitted by law pursuant to a bona fide request or license agreement mutually agreed to by both parties. The Parties agree to negotiate in good faith for a period of sixty (60) days following the execution of this Agreement, or the receipt of a bona fide request, pursuant to this Section 6.16.

6.16a BellSouth agrees to provide WinStar access to its central office premises, including roofs, towers, and other space and facilities in, on, or above the exterior walls and roof of each central office, for the purpose of collocating its 38 GHz wireless transmission antenna system, cables, multiplexers, and other related equipment subject to the availability of space and facilities, the terms of a negotiated physical collocation agreement, and Section 6.16 of this Agreement. The Parties agree to negotiate in good faith for a period of sixty (60) days following the execution of this Agreement, or the receipt of a bona fide request, pursuant to this section 6.16a.

6.17 Service Orders. BellSouth agrees that upon receiving a service order from the Company (which may be transmitted by any means accepted as reliable in the industry) for any customer of BellSouth who wishes to disconnect its service and receive the Company's service, it shall complete the disconnect and provision RCF or DID, if applicable, within 24 hours of BellSouth's receipt of the service order assuming that the necessary DID trunks have already been installed. Disconnects shall be coordinated between the Parties to avoid breaks in service to the end user.

6.18 Disconnection of Customers. BellSouth shall accept any requests from a Company to disconnect the service of an existing BellSouth end user, except for BellSouth Public and Semipublic telephone service, subject to effective contracts with location providers. BellSouth will not require end user confirmation prior to disconnecting the end user's service. BellSouth will accept a request directly from an end user for conversion of the end user's service from a Company to BellSouth or will accept a request from another ALEC for conversion of the SPNP service associated with an end user's service charge from Company to the ALEC. BellSouth will notify the Company that such a request has been processed. This Paragraph 6.18 shall be subject to Section 258(a) and (b) of the Act which prohibits illegal changes of carrier selections and assesses liability for such changes, and any change of service verification procedures which may be promulgated by the FCC. The Companies and BellSouth shall each execute a blanket letter of authorization for each State substantially in the form attached as Exhibit E hereto with respect to customer disconnections. The Parties shall each be entitled to adopt their own internal processes for verification of customer authorization of disconnection of service; provided, however that such processes shall comply with

applicable State and federal law and until superseded shall be deemed adequate for purposes of this Agreement if such processes comply with FCC guidelines applicable to Presubscribed Interexchange Carriers (PIC) changes.

6.19 Dialing Parity. The Parties will ensure that the customers of the other shall not have to dial additional digits or incur dialing delays in order to complete calls as a result of interconnection.

6.20 Non-Published Numbers. The Parties will reciprocally provide their respective numbers and contact names for their non-published bureaus so that each Party's operators will have the capability to contact the other in order to request that a Party's operator notify that Party's end user with a non-published number of an urgent call or emergency at the request of an user of the other Party.

6.21 Resale.

1. BellSouth's Offer of Services Available for Resale

a. The rates pursuant by which WinStar is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit F, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purposes.

b. WinStar may resell the tariffed telecommunications services of BellSouth, including any broadband exchange line or SynchroNet_® service, subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the following are not available for purchase: Grandfathered services; promotional and trial retail service offerings; lifeline and linkup services; contract service arrangements; installment billing options; 911 and E911 services; interconnection services for mobile service providers; legislatively or administratively mandated specialized discounts (e.g., education institution discount); and discounted services to meet competitive situations. BellSouth agrees that WinStar may resell the broadband exchange line or SynchroNet service as provided by BellSouth in any technically feasible manner alone or in conjunction with its own service offering.

c. The provision of services by BellSouth to WinStar does not constitute a joint undertaking for the furnishing of any service.

d. WinStar will be the customer of record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and expect payment from WinStar for all services.

e. WinStar will be BellSouth's single point of contact for all services purchased pursuant to this Agreement including all ordering activities and repair calls. For all repair requests, WinStar accepts responsibility for adhering to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth. BellSouth may bill WinStar for handling troubles that are found not to be in the BellSouth network. The parties agree that BellSouth may contact WinStar customers, if in its sole discretion it deems it necessary for maintenance purposes. In making such maintenance-related contacts, BellSouth shall not make disparaging remarks about WinStar, nor shall BellSouth use such calls as the basis for internal referrals or to solicit customers to market services. BellSouth may respond with factual information in answering customers questions. BellSouth shall have no other contact with the end user except to the extent provided for herein.

f. BellSouth will continue to bill the end user for any services that the end user specifies it wishes to receive directly from BellSouth. BellSouth maintains the right to serve directly any end user within the service area of WinStar and WinStar agrees not to interfere with the right of any end user to obtain service directly from BellSouth. BellSouth will continue to directly market its own telecommunications products and services and in so doing may establish independent relationships with end users of WinStar.

g. In most circumstances, the current telephone number of an end user may be retained by the end user unless the end user has past due charges associated with the BellSouth account for which payment arrangements have not been made. BellSouth will not, however, make the end user's previous telephone number available to WinStar until the end user's outstanding balance has been paid. Denied services means that the service of an end user provide by a local exchange telecommunications company, including BellSouth has been temporarily suspended for nonpayment and subject to complete disconnection.

h. BellSouth may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to WinStar for a charge not less than BellSouth's cost.

i. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than BellSouth shall not

- i. Interfere with or impair service over any facilities of BellSouth, its affiliates, or its connecting and concurring carriers involved in its service;
- ii. Cause damage to their plant;

- iii. Impair the privacy of any communications; or
- iv. Create hazards to any employees or the public.

WinStar assumes the responsibility of notifying BellSouth regarding less than standard operations with respect to services provided by WinStar.

- j. WinStar agrees that its resale of BellSouth services shall be as follows:
 - i. The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
 - ii. To the extent WinStar is a telecommunications carrier that serves greater than five percent of the Nation's presubscribed access lines, WinStar shall not jointly market its interLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and interLATA services offered by WinStar are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999, or on the date BellSouth is authorized to offer interLATA services in that state, whichever is earlier.
 - iii. Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to COCOTS customers. Shared Tenant Service customers can only be sold those telecommunications services available in BellSouth's Shared Tenant Service Tariff, as appropriate.
 - iv. WinStar is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in BellSouth's Tariff.
 - v. Resold services can only be used in the same manner as specified in BellSouth's Tariff. Resold services are subject to the same

terms and conditions as are specified for such services when furnished to an individual end user of BellSouth in the appropriate section of BellSouth's Tariffs. Specific tariff features, e.g., a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in BellSouth's Tariff referring to Shared Tenant Service.

k. Telephone numbers transmitted via any resold service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.

l. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. WinStar is strictly prohibited from any use, including but not limited to sale, marketing or advertising, of any BellSouth name or trademark.

m. Services resold under BellSouth's Tariffs and facilities and equipment provided by BellSouth shall be maintained by BellSouth. WinStar or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth, other than by connection or disconnection to any interface means used, except with the written consent of BellSouth.

n. BellSouth will not perform any billing and collection services for WinStar as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within BellSouth.

o. Until such time as BellSouth receives permission from the FCC to bill the End User Common Line (EUCL) charge to WinStar, BellSouth will, on an interim basis, bill WinStar the charges shown below which are identical to the EUCL rates billed by BST to its end users.

	Monthly Rate
1. Residential	
(a) Each individual line or trunk	\$3.50
2. Single Line Business	
(b) Each individual line or trunk	\$3.50
3. Multi-line Business	
(c) Each individual line or trunk	\$6.00

p. The procedures for discontinuing end user service purchased by WinStar

for resale to an end user are as follows:

- i. Where possible, BellSouth will deny service to WinStar's end user on behalf of, and at the request of, WinStar. Upon restoration of the end user's service, restoral charges will apply and will be the responsibility of WinStar.
 - ii. At the request of WinStar, BellSouth will disconnect a WinStar end user customer.
 - iii. All requests by WinStar for denial or disconnection of an end user for nonpayment must be in writing.
 - iv. WinStar will be made solely responsible for notifying the end user of the proposed disconnection of the service.
 - v. BellSouth will continue to process calls made to the Annoyance Call Center and will advise WinStar when it is determined that annoyance calls are originated from one of their end user's locations. BellSouth shall be indemnified, defended and held harmless by WinStar and/or the end user against any claim, loss or damage arising from providing this information to WinStar. It is the responsibility of WinStar to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in BellSouth's disconnecting the end user's service.
- q. The procedures for discontinuing service to WinStar are as follows:
- i. BellSouth reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by WinStar of the rules and regulations of BellSouth's Tariffs.
 - ii. If payment of account is not received by the bill day in the month after the original bill day, BellSouth may provide written notice to WinStar, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If BellSouth does not refuse additional applications for service on the date specified in the notice, and WinStar's noncompliance continues, nothing contained herein shall preclude BellSouth's right to refuse additional applications for service without

further notice.

- iii. If payment of the account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.
- iv. If WinStar fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, BellSouth may, on thirty days written notice to the person designated by WinStar to receive notices of noncompliance, discontinue the provision of existing services to WinStar at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If BellSouth does not discontinue the provision of the services involved on the date specified in the thirty days notice, and WinStar's noncompliance continues, nothing contained herein shall preclude BellSouth's right to discontinue the provision of the services to WinStar without further notice.
- v. If payment is not received or arrangements made for payment by the date given in the written notification, WinStar's services will be discontinued. Upon discontinuance of service on a WinStar account, service to WinStar's end users will be denied. BellSouth will also reestablish service at the request of the end user or WinStar upon payment of the appropriate connection fee and subject to BellSouth's normal application procedures.
- vi. If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

r. BellSouth may require WinStar to make a deposit, if evidence of good credit cannot be provided, when purchasing services for resale purposes to be held by BellSouth as a guarantee of the payment of rates and charges. Any such deposit may be held during the continuance of the service and may not exceed two month's estimated billing. The fact that a deposit has been made in no way relieves WinStar from the prompt payment of bills on presentation nor does it constitute a waiver of modification or the regular practices of BellSouth providing for the discontinuance of service for non-payment of any sums due BellSouth. In the event that WinStar defaults on its account, service to WinStar will be terminated and any deposits held will be applied to its account. In the case of a cash deposit, interest at the rate of six percent per annum shall be paid to WinStar during the continuance of the deposit. Interest of a

deposit shall accrue annually and, if requested, shall be annually credited to WinStar by the accrual date.

2. Ordering of Services from BellSouth for Resale Purposes

s. The ordering and provision of services purchased from BellSouth for resale purposes by WinStar shall be as set forth in the OLEC-to-BellSouth Ordering Guidelines (Reseller) as those guidelines are amended by BellSouth from time to time during the term of this Agreement; furthermore, in all instances ordering and provisioning intervals will be no greater than those provided to BellSouth's own customers.

t. When the initial service is ordered by WinStar, BellSouth will establish an accounts receivable master account for WinStar.

u. BellSouth shall bill WinStar on a current basis all applicable charges and credits.

v. Payment of all charges will be the responsibility of WinStar. WinStar shall make payment to BellSouth for all services billed. BellSouth is not responsible for payments not received by WinStar from WinStar's customers. BellSouth will not become involved in billing disputes that may arise between WinStar and its customers. Payments made to BellSouth as payment on account will be credited to an accounts receivable master account and not to an end user's account.

w. BellSouth will render bills each month on established bill days for each of WinStar's accounts.

x. BellSouth will bill WinStar in advance charges for all services to be provided during the ensuing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on a individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, on an individual end user account level.

y. The payment will be due by the next bill date (i.e., the same date in the following month as the bill date) and is payable in immediately available U.S. funds. Payment is considered to have been made when received by BellSouth.

If the payment due date falls on a Sunday or on a Holiday which is observed on a Monday, the payment due date shall be the first non-Holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which

is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, a late payment penalty, as set forth in ~~E~~ Following, shall apply.

z. Upon proof of tax exempt certification from WinStar, the total amount billed to WinStar will not include any taxes due from the end user. WinStar will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.

aa. As the customer of record, WinStar will be responsible for, and remit to BellSouth, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

bb. If any portion of the payment is received by BellSouth after the payment due date as set forth preceding, or if any portion of the payment is received by BellSouth in funds that are not immediately available to BellSouth, then a late payment penalty shall be due to BellSouth. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be the lesser of:

- i. The highest interest rate (in decimal value) which may be levied by law for a commercial transaction, compounded daily for the number of days from the payment due date to and including the date that WinStar actually makes the payment to BellSouth, or
- ii. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that WinStar actually makes the payment to BellSouth

cc. Any Carrier Common Line Charges (CCL) associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, BellSouth.

dd. In general, BellSouth will not become involved in disputes between WinStar and WinStar's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of BellSouth, WinStar shall contact the designated Service Center for resolution. BellSouth will make every effort to assist in the resolution of the dispute and will work with WinStar to resolve the matter in as timely a manner as possible. WinStar may be required to submit documentation to substantiate the claim.

ee. WinStar is responsible for payment of all appropriate charges for

completed calls, services, and equipment. If objection in writing is not received by BellSouth within twenty-nine days after the bill is rendered, the account shall be deemed correct and binding upon WinStar.

3. Further, to the extent the FCC, a Commission, or a court of competent jurisdiction issues an effective order establishing the rates, terms, and/or conditions on which BellSouth is to provide telecommunications services for resale, then WinStar will be entitled to purchase all such telecommunications services from BellSouth on such rates, terms, and/or conditions. In addition, if and to the extent that BellSouth makes available to another ALEC or LEC telecommunications services for resale in any given state or states, regardless of whether on the basis of voluntary agreement, tariff, or pursuant to a legally effective directive (e.g., order or opinion of a Commission, the FCC, or arbitration award under the Act), BellSouth simultaneously will provide WinStar with access to those same telecommunications services for resale pursuant to identical rates, terms and/or conditions in the effected state or states.

However, to the extent that BellSouth appeals such order or directive in a manner that stays the effectiveness of that order or directive, then the order or directive will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order or directive by a Commission can delay the effectiveness of such order or directive when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective order or directive is in place, WinStar at its option will be entitled to those same telecommunications services for resale pursuant to the terms of such effective order or directive.

6.22 Parties' Intent. It is the intent of the Parties that the items included in this Article VI and Exhibit D shall comply with the requirements of Sections 251, 252 and 271 of the Act.

ARTICLE VII
CONFIDENTIALITY OF DIRECTORY ASSISTANCE AND
WHITE PAGES LISTINGS.

BellSouth and its Affiliates will afford the Companies' directory listings information the same level of confidentiality which BellSouth affords its own directory listing information, and BellSouth shall ensure that access to Companies' customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing and publishing of listings and directory delivery. BellSouth will not use the Companies' directory listings for the marketing of BellSouth's telecommunications services or for any purpose other than directory listings.

ARTICLE VIII
RESPONSIBILITIES OF THE PARTIES

8.01 At all times during the term of this Agreement or any extension, the Parties agree to use their best efforts to comply with all provisions herein in a fair and nondiscriminatory manner.

8.02 The Parties agree to exchange such reports and/or data as required by Article V of this Agreement to facilitate the proper billing of traffic. Upon thirty (30) days written notice, any Party may request an audit of usage reports or the other Party's PLU and any such audit shall be accomplished during normal business hours at the office designated by the Party being audited. Audit request shall not be submitted more frequently than one (1) time per calendar year. Audits may be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The audit may include review of the data described in Paragraphs 5.04 and 5.05 of this Agreement, no Party shall have access to the data of the Party subject to the audit, but shall rely upon similar results provided by the independent auditor. A request for an audit must be received within one (1) year of receipt of the PLU factor and usage reports from the audited party.

8.03 The Companies shall provide BellSouth with quarterly service projections including, without limitation, busy hour usage for BellSouth's access capacity. BellSouth shall manage its network in order to accommodate the Companies' projected traffic at the required grade of service of P.01 per average busy hour, with busy hour measurement made over a 20 day window. The Parties

shall jointly review engineering requirements on no less than a semi-annual basis and no more frequently than a quarterly basis and establish forecasts for trunk and facilities utilization provided under this Agreement. Trunk growth will be implemented as dictated by engineering requirements. In particular, the Parties agree that new trunk groups will be established and/or existing trunk groups augmented based on sound and standard local telephone company network engineering principals. High usage trunk groups will be used between WinStar end offices and BellSouth end offices when engineering principles dictate their implementation .

8.04 The Parties shall share responsibility for all Control Office functions for Local Interconnection Trunks and Trunk Groups, and all Parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

8.05 The Companies shall be responsible for all Control Office functions for the meet point trunking arrangement trunks and trunk groups, and shall be responsible for the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

8.06 All Parties shall:

- a. Provide trained personnel with adequate and compatible test equipment to work with each other's technicians;
- b. Notify each other when there is any change affecting the service requested, including the due date;
- c. Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order, meet agreed-upon acceptance test requirements, and are placed in service by the due date;
- d. Perform sectionalization to determine if a trouble is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other;
- e. Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks;
- f. Provide each other with a trouble reporting number that is readily accessible and available 24 hours per day 7 days a week;

g. Provide to each other test-line numbers and access to test lines for the purposes of testing trunking .

8.07 Bilateral Agreements. The Parties shall jointly develop and implement a bilateral agreement regarding technical and operational interfaces and procedures not covered by this Agreement. The Parties will use their best efforts to finalize such agreement within 90 days of the effective date of this Agreement.

8.08 Trouble Reports. The Parties will cooperatively plan and implement coordinated repair procedures for the meet point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner. As previously referenced, in no circumstances will the standard maintenance and/or repair intervals of either Party exceed the same intervals for the same or similar repair services under similar circumstances as provided by that Party to any other ALEC, LEC, IXC or customer.

8.09 The Parties will provide their respective billing contact numbers to one another.

ARTICLE IX.

TRUNK FORECASTING

9.01 The Parties shall work towards the development of joint forecasting responsibilities for the traffic utilization over trunk groups. Intercompany forecast information must be provided by the Parties to each other semi-annually. The semi-annual forecasts shall include:

a. Yearly forecasted trunk quantities including, without limitation, measurements that reflect actual tandem Local Interconnection and meet point trunks and tandem-subtending Local Interconnection end office equivalent trunk requirements for a minimum of three (current and plus-1 and plus-2) years;

b. The use of Common Language Location Identifier (CLLI-MSG), which is described in Bellcore documents BR 795-100-100 and BR 795-400-100; and

c. A description of major trunk capacity additions anticipated for the following six months.

9.02 Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

ARTICLE X.

GRADE OF SERVICE

A blocking standard of one half of one percent (.005) during the average busy hour for final trunk groups between a Company end office and BellSouth access tandem carrying meet point traffic shall be maintained. All other final trunk groups are to be engineered with a blocking standard of one percent (.01) in the average busy hour for that trunk group.

ARTICLE XI. TRUNK SERVICING

11.01 Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request ("ASR").

11.02 All Parties shall work cooperatively to manage the capacity of Local Interconnection Trunk Groups. Any Party may send another an ASR to initiate changes to the Local Interconnection Trunk Groups that the ordering Party desires based on the ordering Party's capacity assessment. The receiving Party will issue a Firm Order Confirmation ("FOC") and a Design Layout Record ("DLR") to the ordering Party within 5 business days after receipt of the ASR, upon review of and in response to the ordering Party's ASR, to begin the provisioning process.

11.03 Orders that comprise a major project (i.e., new switch deployment) shall be submitted in a timely fashion, and their implementation shall be jointly planned and coordinated.

11.04 Service provided for in an ASR shall be installed at a minimum within 14 business days of receipt of the ASR. In no circumstances will the standard provisioning interval for facilities provided by either Party exceed the interval for the same or similar services under similar circumstances as provided by that Party to any other ALEC, LEC, IXC or customer.

11.05 In the event that a Party requires trunk servicing within shorter time intervals than those provided for in this Article XI due to a *bona fide* end user demand, such Party may designate its ASR as an "Expedite" and the other Party shall issue its FOC and DLR and install service within the requested interval, subject to resource and facilities availability.

11.06 The Companies shall be responsible for engineering their networks on their side of the POI. BellSouth shall be responsible for engineering its network on

its side of the POI. The Parties shall be jointly responsible for engineering the POI.

ARTICLE XII.

NETWORK MANAGEMENT

12.01 Protective Controls. Any Party may use or request protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward or from each others network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. The Parties will immediately notify each other of any protective control action planned or executed.

12.02 Expansive Controls. Where the capability exists, originating or terminating traffic reroutes may be implemented by any Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when the Parties mutually agree.

12.03 Mass Calling. The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

ARTICLE XIII.

FORCE MAJEURE

No Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party; regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by another Party or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Parties, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and the Parties shall proceed to perform with dispatch once the causes are removed or cease.

ARTICLE XIV.**GOVERNING LAW**

This Agreement shall be governed by the laws of the States in the Territory, as applicable to performance hereof in each such state, and federal law, as applicable, including the Act.

ARTICLE XV.**LIMITATION OF LIABILITY AND INDEMNITY**

15.01 No Party shall be liable for any act or omission of another telecommunications company providing a portion of the services provided under this Agreement.

15.02 Each Party agrees, and each assumes the obligation, to limit the liability of the other Parties to the customers of the first Party to the greatest extent permissible by law. Company agrees to include in its local switched service tariff (if it files one in a particular State) or in any State where it does not file a local service tariff, in an appropriate document that is binding on its customers, a limitation of liability for damages by its customers that covers BellSouth as a provider of a portion of Company's end user services to the same extent as Company limits its own liability to its customers. BellSouth agrees to include in its tariff (if it files one in a particular State) or in any State where it does not file a local switched service tariff, in an appropriate document that is binding on its customers, a limitation of liability for damages by its customers that covers Company as a provider of a portion of BellSouth's end user services to the same extent as BellSouth limits its own liability to its customers.

15.03 No Party hereto shall be liable for damages to the other's terminal location, POI or other Party's customers' premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by such Party's negligence or willful misconduct.

15.04 Each Party providing services, its affiliates and its parent company shall be indemnified, defended and held harmless by the other Party against any claim, loss or damage arising from the receiving party's use of the services provided under this Agreement pertaining to (1) claims for libel, slander, invasion of privacy or copyright infringement arising from the content of the receiving Party's own communications, or (2) any claim, loss or damage claimed by the other Party's

customer arising from the Party's use or reliance on the other Party's services, actions, duties, or obligations arising out of this agreement.

15.05 The Parties assume no liability for the accuracy of data provided by another Party and each Party agrees to indemnify and hold harmless the others for any claim, action, cause of action, damage, or injury that might result from the supply of inaccurate data in conjunction with the provision of any service provided pursuant to this Agreement.

15.06 No license under patents (other than the limited license to use) is granted or deemed implied with respect to any service offered by any Party pursuant to this Agreement. A Party providing a service pursuant to this Agreement will defend the Party receiving such service against claims of patent infringement arising solely from the use by the receiving Party of service offered pursuant to this Agreement and will indemnify the receiving Party for any damages awarded based solely on such claims.

ARTICLE XVI.

RECIPROCITY OF PROVISIONS

If a provision of this Agreement by its terms applies only to one Party because it is currently inapplicable to the other, such provision shall be deemed to apply reciprocally if and when such other Party's circumstances change such that the provision becomes applicable.

ARTICLE XVII.

ASSIGNMENT

This Agreement may be assigned by any Party upon sixty (60) days written notice to all Parties. To the extent this Agreement is assigned by a Party to an affiliate and/or subsidiary, then no such written notice is required.

ARTICLE XVIII.

DEFAULT

If either Party believes the other is in breach of this Agreement or in violation of law, it shall first give sixty (60) days' written notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, the Parties shall employ the Dispute Resolution procedures set forth in Section XX.

ARTICLE XIX. NONDISCLOSURE

19.01 The Parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer count data and similar information (hereinafter collectively referred to as "Information"). The Information shall either be in writing or other tangible forms and clearly marked with a confidential, private or proprietary legend (except in the case of data audited pursuant to Section 8.02, which shall be subject to this Paragraph 19.01 whether or not so marked) or when the information is communicated orally, it shall also be communicated that the information is confidential, private or proprietary. The information will be returned to the owner within a reasonable time. The Parties agree that the information shall not be copied or reproduced in any form. The Parties further agree not to disclose such information and to protect the information from distribution, disclosure, or dissemination to anyone except employees of the Parties with a need to know such information and which employees agree to be bound by the terms of this Article. Neither Party shall use the other Party's information for any purpose other than the performance of this Agreement. The Parties will use the same standard of care to protect the information received as they would use to protect their own confidential and proprietary information.

19.02 Notwithstanding the provisions of Paragraph 19.01, the Parties agree that there will be no obligation to protect any portion of the information that is either:

- (1) made publicly available by the owner of the information or lawfully disclosed by a non-party to this Agreement;
- (2) lawfully obtained from any source other than the owner of the information; or
- (3) previously known to the receiving Party; without an obligation to keep it confidential.

19.03 Effective Date of this Section. Notwithstanding any other provision of this Agreement to the contrary, the Proprietary Information provisions of this Agreement shall apply to all information furnished by any Party to the (an)other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

ARTICLE XX. DISPUTE RESOLUTION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, the Parties shall first confer to discuss the dispute and seek resolution prior to taking any action before any court or regulator, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each Party. In the case of BellSouth, its or equivalent officer, shall participate in the meeting, and the Companies' General Manager, or equivalent officer, shall participate. Thereafter, if such initial conference date cannot in good faith be scheduled within five business days, or in the event such conference fails to resolve the matter, the Parties shall submit any dispute that remains unresolved to arbitration conducted in the state where the default or violation allegedly occurred in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date that such notice is given. The decision of the arbitrators shall be final and binding upon the Parties and judgment may be obtained thereon by either Party in a court of competent jurisdiction. Each Party shall bear the cost of preparing and presenting its case. The costs of arbitration, including the fees and expenses of the arbitrators, will be shared equally by the Parties unless the award otherwise provides. The resolution of disputes under this Article shall be consistent with the Act.

Alternately, or in addition to the arbitration procedures set forth above, either Party may have recourse to the applicable Commission and/or FCC. Further, to the extent BellSouth enters into an agreement with another ALEC or LEC that contains provisions for Liquidated Damages then, at the option of WinStar, WinStar will be entitled to incorporate by reference such Liquidated Damages provisions into this Agreement with respect to the state or states(s) for which BellSouth has entered into such Liquidated Damages provisions. However, to the extent that BellSouth appeals an order with respect to a Liquidated Damages provision(s) in a manner that stays the effectiveness of that order, then the order will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order by a Commission can delay the effectiveness of such order when the Commission by its rules or through its own discretion delays the effective date. In such circumstances where a legally effective order is in place, WinStar at its option will be entitled to incorporate by reference such Liquidated Damages provision(s) carrier pursuant to the terms of such effective order.

**ARTICLE XXI.
ENTIRE AGREEMENT**

This Agreement sets forth the entire understanding between the Parties, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

**ARTICLE XXII.
EXECUTION IN DUPLICATE**

This Agreement may be executed in duplicate copies, and upon said execution, shall be treated as an executed document.

**ARTICLE XIII.
NOTICES AND DEMANDS**

Except as otherwise provided under this Agreement, all notices, demands or requests which may be given by any Party shall be in writing and shall be deemed to have been duly given as of the earlier of (i) the date of actual receipt; (ii) the next business day when notice is sent via express mail or personal delivery; or (iii) on the date set forth on the confirmation in the case of telecopy, to such Party at the address set forth below or at such other address as either Party may specify in writing.

BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, Georgia 30375
Attention: General Attorney - Customer Operation Units

Any WinStar entity:

Robert G. Berger
Vice President, Regulatory/Legal
c/o 3000 K Street, N.W.
Suite 300
Washington, D.C. 20007
(Fax) (202) 424-7643
(Tel) (202) 424-7635

and to

Thanos Voreas
Director, Planning and Engineering
WinStar Telecommunications, Inc.
7799 Leesburg Pike, 10th Floor North
Tysons Corner, VA 22043
(Fax) (703) 905-5458
(Tel) (703) 905-5467

Each Party shall inform the other of any changes in the above addresses.

ARTICLE XXIV.

MORE FAVORABLE PROVISIONS

24.01 If as a result of any proceeding before any Court, Commission, or FCC, voluntary agreement or arbitration proceeding pursuant to the Act or pursuant to any applicable state law, BellSouth becomes obligated to provide interconnection, number portability, unbundled access to network elements or any other services related to interconnection, whether or not presently covered by this Agreement, to another telecommunications carrier operating within a State within the Territory at rates or on terms and/or conditions more favorable to the carrier than the applicable provisions of this Agreement, the Companies, subject to Paragraph 25.02, shall be entitled to substitute such more favorable rates, terms and/or conditions for the relevant provisions of this Agreement which shall apply to the same States as such other carrier and such substituted rates, terms and/or conditions shall be deemed to have been effective under this Agreement as of the effective date thereof to such other carrier.

nt

24.02 If the more favorable provision is a result of the action of an appropriate regulatory agency or judicial body whether commenced before or after the effective date of this Agreement, the Parties agree to incorporate such order in this Agreement as of its effective date. In the event BellSouth files and receives approval for a tariff offering to provide any substantive service of this Agreement in a way different than that provided for herein, the Parties agree that the Companies shall be eligible for subscription to said service at the rates, terms and conditions contained in tariffs as of the effective date of the tariff.

(insert A
p. 51)

24.03 The Parties acknowledge that BellSouth will guarantee the provision of universal service as the carrier-of-last-resort throughout its territory in Florida until January 1, 1998 without contribution from Companies.

ARTICLE XXV.

MISCELLANEOUS PROVISIONS

25.01 Severability. If any provision of this Agreement, or the application of such provision to any Party or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to the Parties or circumstances other than those to which it is held invalid, shall not be effected thereby; provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

25.02 Modification. No variational modification of this Agreement and no waiver of any of its terms or conditions should be valid unless it is in writing and signed by the duly authorized officers of the Party or Parties sought to be charged. The Parties acknowledge that this Agreement may be subject to change or modification by each Commission and/or the FCC as said Commission and/or FCC may direct in the exercise of its jurisdiction; provided, however, that unless otherwise agreed by the Parties, any such modification shall be effective only insofar as this Agreement applies to the State of such Commission's jurisdiction. Any such Commission and/or FCC modification or revision necessarily required to comply with a particular state's law, rule or regulation which is consistent with the intent and purpose of this Agreement shall be reduced to writing and appended to this Agreement as an addendum and executed by all Parties affected thereby.

25.03 Headings. The headings of the sections, Articles and Paragraphs of this Agreement have been inserted for convenience of reference only and shall not restrict or otherwise modify any of the terms or provisions hereof.

25.04 Grammatical Changes. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter gender as the circumstances require.

25.05 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original and all such counterparts shall constitute one and the same instrument. Signatures transmitted by the Parties by facsimile shall have the same effect as original signatures as of the date transmitted by the executing Party.

Insert A) However, to the extent that BellSouth appeals such order in a manner that stays the effectiveness of that order, then the order will not be considered effective until such time that the stay is lifted. Similarly, reconsideration of that order by a Commission can delay the effectiveness of such order when the commission by its rules or through its own discretion delays the effective date.

alt

ARTICLE XXVII.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the day and year first above written.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Robert Schenk

Its: S.R. Du

WINSTAR TELECOMMUNICATIONS, INC., ON ITS OWN BEHALF AND AS AGENT FOR WinStar Wireless of Alabama, Inc.; WinStar Wireless of Florida, Inc.; WinStar Wireless of Georgia, Inc.; WinStar Wireless of Kentucky, Inc.; WinStar Wireless of Louisiana, Inc.; WinStar Wireless of Mississippi, Inc.; WinStar Wireless of North Carolina, Inc.; WinStar Wireless of South Carolina, Inc. and WinStar Wireless of Tennessee, Inc.

By: [Signature]

Its: Vice President, Regulatory/Legal

Master Interconnection Agreement
dated August 22, 1996

EXHIBIT A

WINSTAR ENTITIES COVERED BY AGREEMENT

- WinStar Telecommunications, Inc.
- WinStar Wireless of Alabama, Inc.
- WinStar Wireless of Florida, Inc.
- WinStar Wireless of Georgia, Inc.
- WinStar Wireless of Kentucky, Inc.
- WinStar Wireless of Louisiana, Inc.
- WinStar Wireless of Mississippi, Inc.
- WinStar Wireless of North Carolina, Inc.
- WinStar Wireless of South Carolina, Inc.
- WinStar Wireless of Tennessee, Inc.

At any time during the term of this Agreement, the Companies may add as Parties hereto additional Affiliates that become certified in the Territory as ALECs, who shall become "Companies" hereunder, by executing an appropriate amendment to this Agreement.

AGREEMENT

In consideration of the mutual promises contained herein, BellSouth Advertising & Publishing Corporation, a Georgia corporation ("BAPCO") and WinStar Telecommunications, Inc., a Delaware corporation ("CARRIER") agree as follows:

1. RECITALS. BAPCO is the publisher of alphabetical (or White Pages) and classified (or Yellow Pages) directories for certain communities in the southeastern region of the U.S. (the "Directories"). CARRIER provides, or intends to provide, local exchange telephone service in communities in which BAPCO publishes Directories. BAPCO and CARRIER hereby establish the terms by which BAPCO will include listings of CARRIER subscribers in such Directories and by which BAPCO will provide such Directories to CARRIER subscribers.

2. CARRIER OBLIGATIONS. CARRIER agrees as follows:

(a) CARRIER shall provide to BAPCO, or its designee, at CARRIER's expense and at no charge, listing information concerning its subscribers (designating any who do not desire published listings), consisting of customer name, address, telephone number and all other information reasonably requested by BAPCO as set forth on Exhibit A in a mutually acceptable format for use by BAPCO or its affiliates in publishing Directories of whatever type and format and for other derivative purposes. Such subscriber listing information shall be provided in the format and on the schedule set forth in said Exhibit, or as otherwise mutually agreed between the parties from time to time.

(b) CARRIER shall also provide directory delivery information to BAPCO as set forth in Exhibit A for all subscribers.

(c) CARRIER shall advise BAPCO promptly of any directory-related inquiries, requests or complaints which it may receive from CARRIER subscribers and shall provide reasonable cooperation to BAPCO in response to or resolution of the same.

(d) CARRIER shall respond promptly regarding corrections or queries raised by BAPCO to process listing changes requested by subscribers.

3. BAPCO OBLIGATIONS. BAPCO agrees as follows:

(a) BAPCO shall include one standard listing for each CARRIER subscriber, at no charge, per hunting group in BAPCO's appropriate local alphabetical Directory as published periodically by BAPCO unless nonlisted or nonpublished status is designated by subscribers. Multi-line customers of CARRIER shall receive additional listings in applicable directories on a non-discriminatory basis to the extent of and in accordance

with BAPCO's usual policy with respect to multi-line customers of any LEC or ALEC. BAPCO shall deliver such local alphabetical and classified directory(ies) to CARRIER's subscribers according to BAPCO's generally applicable policies and standards. Such listings shall be interfiled with the listings of other local exchange telephone company subscribers and otherwise published in the manner of such other listings according to BAPCO's generally applicable publishing policies and standards. BAPCO shall provide a process whereby CARRIER is afforded a reasonable opportunity to review and correct its subscribers' alphabetical listings in advance of publication.

(b) Provided CARRIER establishes appropriate resale arrangements with BellSouth Telecommunications, Inc. ("BellSouth"), BAPCO shall publish additional listings, foreign listings and other alphabetical Directory listings offered by BellSouth, for CARRIER subscribers upon their request consistent with BAPCO's generally applicable policies in BAPCO's alphabetical Directories.

(c) BAPCO will distribute its regularly published alphabetical and classified Directories to local CARRIER subscribers at no charge to CARRIER or CARRIER's subscribers in accordance with BAPCO's prevailing practices, including delivery following Directory publication and upon establishment of new CARRIER service, or reasonable customer requests, if a current Directory for that geographic area has not previously been provided. Such deliveries may include separate advertising materials accompanying the Directories.

(d) BAPCO will include CARRIER information in the customer guide pages, at no charge, of its alphabetical Directories for communities where CARRIER provides local exchange telephone service at the time of publication in accordance with BAPCO's prevailing standards for the same. CARRIER will provide information requested by BAPCO for such purpose on a timely basis.

(e) BAPCO shall make available at no charge to CARRIER or its subscribers one listing for CARRIER business customers per hunting group in one appropriate heading in BAPCO's appropriate local classified directory as published periodically by BAPCO. Such listings shall be published according to BAPCO's generally applicable publishing policies and standards. BAPCO will continue Yellow Pages advertisements purchased by customers without regard to whether they switch their local service to CARRIER.

(f) BAPCO agrees to solicit, accept and publish directory advertising from business subscribers for CARRIER in communities for which BAPCO publishes classified Directories in the same manner and upon substantially the same terms as it solicits, accepts and publishes advertising from advertisers who are not CARRIER subscribers.

(g) BAPCO will not provide information obtained from CARRIER concerning its subscribers to other local exchange telephone service providers without

CARRIER approval, except as may be required in relation to publishing of Directories or as may be permitted by CARRIER for directory assistance or other purposes.

(b) BAPCO and CARRIER acknowledge that mutual cooperation will be required to successfully serve the needs of their common customers and therefore agree to use reasonable efforts to provide such cooperation to achieve the highest quality of service for both parties' customers.

4. PUBLISHING POLICIES. BAPCO shall maintain full authority over its publishing schedules, policies, standards, and practices and over the scope and publishing schedules of its Directories. BAPCO shall periodically provide CARRIER with changes by BAPCO which in BAPCO's judgment affect CARRIER with respect to BAPCO's publishing of listings for CARRIER's subscribers. Such policy updates shall include, without limitation, the subjects described in Exhibit B.

5. LIABILITY AND INDEMNITY.

(a) BAPCO's liability to CARRIER for any errors or omissions in directories or for any default otherwise arising hereunder shall be limited to One Dollar (\$1) for errors or omissions in any subscriber listing in any directory published by BAPCO except in instances involving gross negligence or willful misconduct.

(b) Each party agrees to defend, indemnify and hold harmless the other from all damages, claims, suits, losses or expenses, including without limitation costs and attorneys fees, to the extent of such party's relative fault, arising out of or resulting from any error, omission or act of such party hereunder. CARRIER agrees to limit its liability and that of BAPCO by contract with CARRIER's subscribers or by tariff to no more than the cost of service for any errors or omissions in any listings published hereunder for CARRIER subscribers. Each party shall notify in writing the other promptly of any claimed error or omission affecting this paragraph and of any claim or suit arising hereunder or relating to this Agreement and shall provide reasonable and timely cooperation in its resolution of the same. Without waiver of any rights hereunder, the indemnified party may at its expense undertake its own defense in any such claim or suit.

6. TERM. This Agreement shall be effective on the date of the last signature hereto for a term of three (3) years and shall relate to Directories published by BAPCO during such period. Thereafter, it shall continue in effect unless terminated by either party upon ninety days prior written notice.

7. ASSIGNMENT. This Agreement shall be binding upon any successors or assigns of the parties during its Term.

8. RELATIONSHIP OF THE PARTIES. This Agreement does not create any joint venture, partnership or employment relationship between the parties or their employees, and the relationship between the parties shall be that of an independent contractor. There shall be no intended third party beneficiaries to this Agreement.

9. NONDISCLOSURE

(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 parties agree to use the same care and discretion to avoid disclosure, publication or dissemination of information as each uses with its own similar information that it does not wish to disclose, publish or disseminate. 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 forty-five (45) days.

(b) The parties will not have an obligation to protect any portion of Information which: (1) is made publicly available lawfully by a nonparty to this Agreement; (2) is lawfully obtained from any source other than the providing party; (3) is previously known without an obligation to keep it confidential; (4) is released by the providing party in writing; or (5) commencing two (2) years after the termination date of this Agreement if such Information is not a trade secret under applicable law, provided however, that BAPCO's obligation to keep customer lists confidential shall survive termination of this Agreement.

(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 appear on the originals. Each party agrees to use the Information solely in support of this Agreement and for no other purpose.

10. FORCE MAJEURE. Neither party shall be responsible to the other for any delay or failure to perform hereunder to the extent caused by fire, flood, explosion, war, strike, riot, embargo, governmental requirements, civic or military authority, act of God, or other similar cause beyond its reasonable control. Each party shall use best efforts to notify the other promptly of any such delay or failure and shall provide reasonable cooperation to ameliorate the effects thereof.

11. PUBLICITY. Neither party shall disclose the terms of this Agreement nor use the trade names or trademarks of the other without the prior express written consent of the other.

12. NONEXCLUSIVITY. Notwithstanding anything herein to the contrary, Carrier may independently develop an alphabetical directory. Carrier also shall be free to enter into similar agreements with other parties.

13. REPRESENTATIVES AND NOTICES

(a) Each party shall name one or more representatives for contacts between the parties which shall be authorized to act on its behalf. Such representatives may be changed from time to time upon written notice to the other party.

(b) Notices required by law or under this Agreement shall be given in writing by hand delivery, certified or registered mail, or by facsimile followed by certified or registered mail, addressed to the named representatives of the parties with copies to:

If to BAPCO: Director-LEC/BST Interface
BellSouth Advertising & Publishing Corporation
Room 270
59 Executive Park South
Atlanta, GA 30329

With Copy to: Vice President and General Counsel
BellSouth Advertising & Publishing Corporation
Room 430
59 Executive Park South
Atlanta, GA 30329

If to CARRIER: Laurie Fairchild
Senior Manager - Network Planning and Implementation
WinStar Telecommunications, Inc.
7799 Loeburg Pike
Suite 401
Tysons Corner, VA 22043

14. **MISCELLANEOUS.** This Agreement represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes any previous oral or written communications, representations, understandings, or agreements with respect thereto. It may be executed in counterparts, each of which shall be deemed an original. All prior and contemporaneous written or oral agreements, representations, warranties, statements, negotiations, and /or understandings by and between the parties, whether express or implied, are superseded, and there are no representations or warranties, either oral or written, express or implied, not herein contained. This Agreement shall be governed by the laws of the state of Georgia.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives in one or more counterparts, each of which shall constitute an original, on the dates set forth below.

BELLSOUTH ADVERTISING & PUBLISHING CORPORATION

By: [Signature]

(Signature)

Name: R.F. BALLETO

Title: Director - Lic. Strategy

Date: 8/23/96

WINSTAR TELECOMMUNICATIONS, INC.

By: [Signature]

(Signature)

Name: R.G. RICE

Title: V.P., Regulatory/Legal

Date: 8/22/96

APPROVED AS TO FORM:

BY: RJC
RANDALL J. CADENHEAD
Attorney

ACCOUNT INFORMATION SECTION (Items in this section are mandatory)

1. Main Telephone Number: Main line of telephone service that all other numbers are associated to. (Area Code/NXX/Line Numbers)
2. Published Telephone Number: Telephone number to appear in the directory.
3. Old Telephone Number: If the number is changing, enter the OLD Telephone Number.
4. Type of Directory Service: Bus (Business) or Res (Residence)
5. Order Type: N - New connect order, D - Disconnect service order; C - Change of listings; R - Directory delivery only.
6. Due Date: Date that service is requested.
7. Carrier Name: The name of the local exchange carrier and operating company code.
8. Carrier Number: Operating Company Number

PRIMARY LISTING INFORMATION SECTION (Items in this section are mandatory)

9. Listed Name: The way the listing is to appear in the directory. (maximum 1,000 characters - including spaces) Caption arrangements should be formatted per guidelines. Non-Pub or Non-List situations should be indicated.
10. Listed Address: Current address may include street number - street name, city, state, and zip code. (Note: P.O. Box or Route not acceptable). Omitted address shown as (OAD). (maximum 250 characters)
11. Service Address: Physical location of the telephone.
12. Community Name: The name of the community where the listing appears. (i.e.: the Atlanta Directory may have a Community name of Buckhead).
13. Zip code: 5 or 9 character code.
14. Yellow Pages Heading: The Yellow Page heading where customer wants his listing to appear. (Valid for Business Primary Listings only).
15. Directory Name: Name of the directory where Customer desires listing to appear (including town section if applicable). If consistent with existing central office and directory configuration, listing will be included. If different, a Foreign Listing will be charged. Directory appearance entitled free is based on the central office prefix. Entitlement for appearance in other directories will be at the rate of a Foreign Listing (FL).

BILLING INFORMATION SECTION (Items in this section are requested but optional)

16. Billing: Name to appear on bill.
17. Billing Address: Street number, street name, city, state, zip.
18. Contact Telephone Number: Telephone number to contact regarding billing.
19. Responsible Person: Owner's name or partners' names or 2 corporate officers.
20. Type of Ownership: Sole owner; Partnership or Corporation
21. Tax ID Number or Social Security Number: If sole owner, must have social security number.

DIRECTORY DELIVERY INFORMATION SECTION (Items in this section are mandatory)

22. Name: Personal or business name.
23. Delivery Address: Street number, street name, city, state, zip code of where directories are to be delivered.
24. Directory (Book ID): Bolt code of the directory.
25. Number of books now: for immediate delivery/replacement.
26. Number of books annually: 0 - 3 residence, 0 - 5 business, then negotiated.

REMARKS SECTION (As required)

27. Remarks: Free flow field used by Carrier for any additional information

PRIVATE/PROPRIETARY

Contains private and/or proprietary information. May not be used or disclosed outside the BellSouth companies except pursuant to a written agreement.

BAPCO Deliverables**Publication Schedules**

BAPCO will provide to all carriers a printed copy of the publication schedules for all directories within the area served by the carrier. This schedule will include the name of the directory, the directory bolt code, the business office close date and the issue date. The business office close date represents the last day to receive activity for appearance in the subsequent directory. This date also represents the close date for advertising activity into the Yellow Pages.

The issue date represents the mid-point of delivery of the new directory and the date at which new directory billing will begin for the directory being delivered. The length of the delivery period will vary depending upon the size of directory.

Yellow Pages Headings

BAPCO will provide a printed version of the Yellow Pages Heading file which will include all Yellow Pages headings allowed by BAPCO, the Yellow Pages heading code and the associated SIC code. This material would be utilized to assist the business customer in identifying where they would like representation in BAPCO's classified Yellow Pages directories.

Coverage Maps

BAPCO will provide a coverage map for its major directories identifying broadly the geographic area served by the major directory. These maps will be provided only for the major directories in the area served by the carrier.

Central Office Table

BAPCO will provide two printed versions of what is called the ABC table. Version 1 of this report, identifies by NPA and in sequence by central office in which directory a customer is entitled to appear. Version 2 of this report reflects the directory name and all central offices appearing within that directory.

Listing Specifications

BAPCO will provide a condensed printed version of listing specifications reflecting the rules and regulations regarding listing appearance in both the white and yellow pages.

Abbreviation Table

BAPCO will provide a printed copy of the standard abbreviations utilized for given names, titles of address, titles of lineage, military titles, degrees and professional affiliations standards. This information can be used to assist in effectively processing various listed name requests.

Foreign Directory Name Table

BAPCO will provide a list of all foreign directory names to be used in the processing of foreign listing requests. This field is a required element in the establishment of foreign listings.

Customer Guide Pages Appearance Procedures

BAPCO will provide free listing appearance under the areas of Establishing Service, Dilling and Repair in the Customer Guide Section of the White Pages for directories where a carrier operates. These procedures identify how to get your listing to appear and procedures for purchasing LEC specific pages.

EXHIBIT C

LINE INFORMATION DATA BASE (LIDB)
STORAGE AGREEMENT
FOR RESOLD LOCAL EXCHANGE LINES OR
SERVICE PROVIDER NUMBER PORTABILITY ARRANGEMENTS

This agreement, effective as of August 28, 1996, is entered into by and between BellSouth Telecommunications, Inc. ("BST"), a Georgia corporation, and WinStar Telecommunications, Inc. ("Local Exchange Company").

WHEREAS, in consideration of the mutual covenants, agreements and obligations set forth below, the parties hereby agree as follows:

I. SCOPE

This Agreement sets forth the terms and conditions for inclusion in BST's Line Information Data Base (LIDB) of billing number information associated with BST exchange lines used for Local Exchange Company's resale of local exchange service or Service Provider Number Portability (SPNP) arrangements requested by Local Exchange Company on behalf of Local Exchange Company's end user. BST will store in its data base the relevant billing number information, and BST will provide responses to on-line, call-by-call queries to this information for purposes specified below.

LIDB is accessed for:

- Billed Number Screening
- Calling Card Validation for Calling Cards Issued by BellSouth
- Fraud Control

*WinStar Wireless of South Carolina, Inc.;
WinStar Wireless of Tennessee, Inc.*

* As agent for WinStar Wireless of Alabama, Inc.;
WinStar Wireless of Florida, Inc.; WinStar Wireless of
Georgia, Inc.; WinStar Wireless of Kentucky, Inc.; WinStar
Wireless of Louisiana, Inc.; WinStar Wireless of North
Carolina, Inc.; WinStar Wireless of Mississippi, Inc.

II. DEFINITIONS

- 2.01. **Billing number** - a number used by BST for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.
- 2.02. **Line number** - a ten digit number assigned by BST that identifies a telephone line associated with a resold local exchange service, or with a SPNP arrangement.
- 2.03. **Special billing number** - a ten digit number that identifies a billing account established by BST in connection with a resold local exchange service or with a SPNP arrangement.
- 2.04. **Calling Card number** - a billing number plus PIN number assigned by BST.
- 2.05. **PIN number** - a four digit security code assigned by BST which is added to a billing number to compose a fourteen digit calling card number.
- 2.06. **Toll billing exception indicator** - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by the Local Exchange Company.
- 2.07. **Billed Number Screening** - refers to the activity of determining whether a toll billing exception indicator is present for a particular billing number.
- 2.08. **Calling Card Validation** - refers to the activity of determining whether a particular calling card number exists as stated or otherwise provided by a caller.
- 2.09. **Billing number information** - information about billing number or Calling Card number as assigned by BST and toll billing exception indicator provided to BST by the Local Exchange Company.

III. RESPONSIBILITIES OF PARTIES

3.01. BST will include billing number information associated with resold exchange lines or SPNP arrangements in its LIDB. The Local Exchange Company will request any toll billing exceptions via the Local Service Request (LSR) form used to order resold exchange lines, or the SPNP service request form used to order SPNP arrangements.

3.02. Under normal operating conditions, BST shall include the billing number information in its LIDB upon completion of the service order establishing either the resold local exchange service or the SPNP arrangement, provided that BST shall not be held responsible for any delay or failure in performance to the extent such delay or failure is caused by circumstances or conditions beyond BST's reasonable control. BST will store in its LIDB an unlimited volume of the working telephone numbers associated with either the resold local exchange lines or the SPNP arrangements. For resold local exchange lines or for SPNP arrangements, BST will issue line-based calling cards only in the name of Local Exchange Company. BST will not issue line-based calling cards in the name of Local Exchange Company's individual end users. In the event that Local Exchange Company wants to include calling card numbers assigned by the Local Exchange Company in the BST LIDB, a separate agreement is required.

3.03. BST will provide responses to on-line, call-by-call queries to the stored information for the specific purposes listed in the next paragraph.

3.04. BST is authorized to use the billing number information to perform the following functions for authorized users on an on-line basis:

(a) Validate a 14 digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BST, and where the last four digits (PIN) are a security code assigned by BST.

(b) Determine whether the Local Exchange Company has identified the billing number as one which should not be billed for collect or third number calls, or both.

3.05. BST will provide seven days per week, 24-hours per day, fraud control and detection services. These services include, but are not limited to, such features as sorting Calling Card Fraud detection according to domestic or international calls in order to assist the pinpointing of possible theft or fraudulent use of Calling Card numbers; monitoring bill-to-third number and collect calls made to numbers in BST's LIDB, provided such information is included in the LIDB query, and establishing Account Specific Thresholds, at BST's sole discretion, when necessary. Local Exchange Company understands and agrees BST will administer all data stored in the LIDB, including the data provided by Local Exchange Company pursuant to this Agreement, in the same manner as BST's data for BST's end user customers. BST shall not be responsible to Local Exchange Company for any lost revenue which may result from BST's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BST in its sole discretion from time to time.

3.06. Local Exchange Company understands that BST currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses. Local Exchange Company further understands that these billing and collection customers of BST query BST's LIDB to determine whether to accept various billing options from end users. Additionally, Local Exchange Company understands that presently BST has no method to

differentiate between BST's own billing and line data in the LIDB and such data which it includes in the LIDB on Local Exchange Company's behalf pursuant to this Agreement. Therefore, until such time as BST can and does implement in its LIDB and its supporting systems the means to differentiate Local Exchange Company's data from BST's data and the parties to this Agreement execute appropriate amendments hereto, the following terms and conditions shall apply:

(a) The Local Exchange Company agrees that it will accept responsibility for telecommunications services billed by BST for its billing and collection customers for Local Exchange Customer's end user accounts which are resident in LIDB pursuant to this Agreement. Local Exchange Company authorizes BST to place such charges on Local Exchange Company's bill from BST and agrees that it shall pay all such charges. Charges for which Local Exchange Company hereby takes responsibility include, but are not limited to, collect and third number calls.

(b) Charges for such services shall appear on a separate BST bill page identified with the name of the entity for which BST is billing the charge.

(c) Local Exchange Company shall have the responsibility to render a billing statement to its end users for these charges, but Local Exchange Company's obligation to pay BST for the charges billed shall be independent of whether Local Exchange Company is able or not to collect from Local Exchange Company's end users.

(d) BST shall not become involved in any disputes between Local Exchange Company and the entities for which BST performs billing and collection. BellSouth will not issue adjustments for charges billed on behalf of an entity to Local Exchange Company. It shall

be the responsibility of the Local Exchange Company and the other entity to negotiate and arrange for any appropriate adjustments.

IV. COMPLIANCE

Unless expressly authorized in writing by the Local Exchange Company, all billing number information provided pursuant to this Agreement shall be used for no purposes other than those set forth in this Agreement.

V. TERMS

This Agreement will be effective as of August 23, 1996, and will continue in effect for one year, and thereafter may be continued until terminated by either party upon thirty (30) days written notice to the other party.

VI. FEES FOR SERVICE AND TAXES

6.01. The Local Exchange Company will not be charged a fee for storage services provided by BST to the Local Exchange Company, as described in Section I of this Agreement.

6.02. Sales, use and all other taxes (excluding taxes on BST's income) determine by BST or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by the Local Exchange Company. The Local Exchange Company shall have the right to have BST contest with the imposing jurisdiction, at the Local Exchange Company's expense, any such taxes that the Local Exchange Company deems are improperly levied.

VII. INDEMNIFICATION

To the extent not prohibited by law, each party will indemnify the other and hold the other harmless against any loss, cost, claim, injury, or liability relating to or arising out of

negligence or willful misconduct by the indemnifying party or its agents or contractors in connection with the indemnifying party's provision of services, provided, however, that any indemnity for any loss, cost, claim, injury or liability arising out of or relating to errors or omissions in the provision of services under this Agreement shall be limited as otherwise specified in this Agreement. The indemnifying party under this Section agrees to defend any suit brought against the other party for any such loss, cost, claim, injury or liability. The indemnified party agrees to notify the other party promptly, in writing, of any written claims, lawsuits, or demands for which the other party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying party shall not be liable under this Section for settlement by the indemnified party of any claim, lawsuit, or demand unless the defense of the claim, lawsuit, or demand has been tendered to it in writing and the indemnifying party has unreasonably failed to assume such defense.

VIII. LIMITATION OF LIABILITY

Neither party shall be liable to the other party for any lost profits or revenues or for any indirect, incidental or consequential damages incurred by the other party arising from this Agreement or the services performed or not performed hereunder, regardless of the cause of such loss or damage.

IX. MISCELLANEOUS

9.01. It is understood and agreed to by the parties that BST may provide similar services to other companies.

9.02. All terms, conditions and operations under this Agreement shall be performed in accordance with, and subject to, all applicable local, state or federal legal and regulatory tariffs, rulings, and other requirements of the federal courts, the U. S. Department of Justice and state and federal regulatory agencies. Nothing in this Agreement shall be construed to cause either party to violate any such legal or regulatory requirement and either party's obligation to perform shall be subject to all such requirements.

9.03. The Local Exchange Company agrees to submit to BST all advertising, sales promotion, press releases, and other publicity matters relating to this Agreement wherein BST's corporate or trade names, logos, trademarks or service marks or those of BST's affiliated companies are mentioned or language from which the connection of said names or trademarks therewith may be inferred or implied; and the Local Exchange Company further agrees not to publish or use advertising, sales promotions, press releases, or publicity matters without BST's prior written approval.

9.04. This Agreement constitutes the entire agreement between the Local Exchange Company and BST which supersedes all prior agreements or contracts, oral or written representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof.

BUCKET NO. 970336-TP
MAY 29, 1997

9.05. Except as expressly provided in this Agreement, if any part of this Agreement is held or construed to be invalid or unenforceable, the validity of any other Section of this Agreement shall remain in full force and effect to the extent permissible or appropriate in furtherance of the intent of this Agreement.

9.06. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement for any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers.

9.07. This Agreement shall be deemed to be a contract made under the laws of the State of Georgia, and the construction, interpretation and performance of this Agreement and all transactions hereunder shall be governed by the domestic law of such State.

MAY 29, 1997

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their fully authorized officers.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: Robert Wilhelm
Title: DIRECTOR
Date: 5/27/96
Address: 675 W. PEACHTREE RD
ATLANTA, GA 30375
SUITE 11A15

THE LOCAL EXCHANGE COMPANY

By: R. C. [Signature]
Title: Vice President, Local/Regulatory
Date: 5/22/96
Address: C/O [Signature] & Co., Inc.
1400 [Signature]
Wash, DC 20002

EXHIBIT D
(pursuant to Section 6.15)

- Local Loop Transmission from the BellSouth central office to the customer's premises, unbundled from local switching or other services.
- Channelization system including multiplexing and concentration for unbundled exchange access loops.
- Local transport from the trunk side of wireline local exchange carrier switch unbundled from switching or other services.
- Local switching on the line side unbundled from transport, local loop transmission, or other services.
- Unbundled line side exchange ports.
- Operator call completion services including access to directory assistance, operator call processing access service, busy line verification and emergency interrupt.
- Nondiscriminatory access to databases and associated signaling necessary for call routing and completion, including 800 database, SS7 network, BellSouth's Line Information Database.
- Centralized Message Distribution System - Hosting and Non-Sent Paid Report System.

EXHIBIT E

BLANKET AGENCY AGREEMENT LETTER

I am an official of WinStar ["Company"]¹ and am authorized to commit my company to the conditions stated herein:

1. Company will not submit any requests or inquiries for Resale or Facility Based local service provisioning under Blanket Agency Agreement procedures to [BellSouth²] for which it does not have proper authorization from the End User upon whose behalf service is offered.
2. Company will instruct its End Users to deal directly with Company on all inquiries concerning their Local Service. This may include, but is not limited to, billing, repair, directory listings, and number portability.
3. Company is authorized to release all information regarding the End User's local service to [BellSouth].
4. In the event that an End User challenges action taken by [BellSouth] as a result of the above mentioned service request, Company will indemnify and hold harmless [BellSouth] for any damages or losses, resulting from Company's preparation and submission of service requests for which it did not have proper End User authorization.
5. In the event that an End User challenges billing which resulted from local service requests submitted to [BellSouth] by Company under this Blanket Agency Agreement, then Company will indemnify and hold harmless [BellSouth] for any damages, losses, costs and attorney's fees, if any, arising from [BellSouth] provisioning and maintenance of the End User's local service due to errors in the ordering of said service by Company.
6. In the event that an End User disputes actions taken by Company as a result of a submission by Company of a service request for disconnection or termination of a previously submitted local service request for which it did not have proper End User

¹ Insert BellSouth or Company, as applicable

² Substitute WinStar wherever BellSouth appears if BellSouth is "Company".

authorization, then Company will indemnify and hold harmless [BellSouth] for any damages, losses, costs and attorney's fees, if any, resulting from said dispute.

7. This Agreement shall continue in effect unless canceled by prior written notice by Company or [BellSouth] thirty (30) days prior to the effective date of cancellation. Cancellation shall not release or limit any matters occurring prior to the cancellation of this Blanket Agency Agreement.

Signature of Officer

Title of Officer

Company Name

Date

DOCUMENT A
BUCKET NO. 970336-TP
MAY 29, 1997

61
sina\bellzou9.doc

EXHIBIT F

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by WinStar for the purposes of resale to WinStar end users shall be available at the following discount off the retail rate.

STATE	DISCOUNT	
	RESIDENCE	BUSINESS
Alabama	10%	10%
Florida	18%	12%
Georgia	20.3%*	17.3%*
Kentucky	10%	8%
Louisiana	11%	10%
Mississippi	9%	8%
North Carolina	12%	9%
South Carolina	10%	9%
Tennessee	11%	9%

* The Georgia discount is subject to change as a result of final resolution of the Order of the Georgia Public Service Commission, issued June 12, 1996.

Discounts will not apply to: unbundled port service, nonrecurring charges, federal or state subscriber line charges, inside wire maintenance plans, pass-through charges (e.g., N11 end user charges), and taxes.



BellSouth Telecommunications, Inc. 404 430-5327
Room 11A15
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Robert C. Scheye
Senior Director

September 4, 1996

Mr. Robert Berger
Vice President, Regulatory/Legal
WinStar Wireless, Inc.
7799 Leesburg Pike
Suite 401 South
Tyson's Corner, VA 22043

Dear Mr. Berger:

As we discussed on September 3, the FCC's Order in CC Docket 96-98 will have a significant impact on interconnection negotiations. The WinStar agreement was signed after the release of the Order so some clarification may be appropriate. I believe the following language would clarify the intent of the WinStar-BellSouth Agreement:

WinStar and BellSouth negotiated the terms of this agreement with the understanding that the carriers would be interconnecting with each other for comparable types of calls and the usage would likely be reasonably balanced, i.e. WinStar would be terminating to BellSouth approximately the same level of usage that BellSouth would be terminating to WinStar.

If this language is acceptable to WinStar please sign this as a clarification to the WinStar-BellSouth agreement. Please contact me, if you would like to discuss this further. I appreciate your cooperation on this matter.

Signed:

Robert C. Scheye
BellSouth Telecommunications

Robert G. Berger
WinStar Wireless, Inc.