

ORIGINAL



Kimberly Caswell
Vice President and General Counsel, Southeast
Legal Department

00 AUG 21 AM 11:00
MAIL ROOM

Verizon Communications
FLTC0007
201 North Franklin Street (33602)
Post Office Box 110
Tampa, Florida 33601-0110

Phone 813 483-2606
Fax 813 204-8870
kimberly.caswell@verizon.com

August 21, 2000

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

001194-TP

Re: Docket No.
Petition of Verizon Florida Inc. for Approval of Section 252(i) Adoption of the
Terms of the Interconnection Agreement Between DIECA Communications, Inc.
d/b/a Covad Communications Company and GTE Florida Incorporated by
PurePacket Communications of the South, Inc.

Dear Ms. Bayo:

Please find enclosed for filing an original and five copies of Verizon Florida Inc.'s
Petition for Approval of Section 252(i) Adoption of the Terms of the Interconnection
Agreement Between DIECA Communications, Inc. d/b/a Covad Communications
Company and GTE Florida Incorporated by PurePacket Communications of the South,
Inc. Service has been made as indicated on the Certificate of Service. If there are any
questions regarding this matter, please contact me at (813) 483-2617.

Very truly yours,

Kimberly Caswell

for

KC:tas
Enclosures

RECEIVED & FILED

FLORIDA BUREAU OF RECORDS

DOCUMENT NUMBER 001194-TP
10242 AUG 21 8
FPOC 1106 31 11 0000 000

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Section 252(i)) Docket No.
 Adoption of the Terms of the Interconnection) Filed: August 21, 2000
 Agreement Between DIECA Communications,)
 Inc. d/b/a Covad Communications Company)
 and GTE Florida Incorporated by PurePacket)
 Communications of the South, Inc.)
 _____)

**PETITION OF VERIZON FLORIDA INC. FOR APPROVAL OF
 SECTION 252(i) ADOPTION OF THE TERMS OF THE INTERCONNECTION
 AGREEMENT BETWEEN DIECA COMMUNICATIONS, INC. D/B/A COVAD
 COMMUNICATIONS COMPANY AND GTE FLORIDA INCORPORATED BY
PUREPACKET COMMUNICATIONS OF THE SOUTH, INC.**

Verizon Florida Inc. (Verizon), formerly GTE Florida Incorporated, files this petition before the Florida Public Service Commission (Commission) seeking approval of PurePacket Communications of the South, Inc.'s (PurePacket) Section 252(i) adoption of the terms of the arbitrated interconnection agreement between Verizon and DIECA Communications, Inc. d/b/a Covad Communications Company. The agreement, which was approved by the Commission by Order No. PSC-99-1200-PAA-TP, issued June 14, 1999 in Docket No. 990182-TP, is attached. PurePacket also adopts the terms of the first amendment to the above agreement (approved by the Commission by Order No. PSC-00-0412-FOF-TP, issued February 24, 2000 in Docket No. 991892-TP) and the line sharing amendment to the above agreement (approved by the Commission by Order No. PSC-00-1438-FOF-TP, issued August 4, 2000 in Docket No. 000703-TP). Copies of these amendments are also attached.

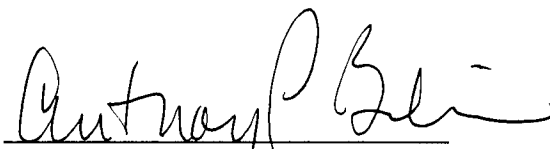
Verizon respectfully requests that the Commission approve its petition and that Verizon be granted all other relief proper under the circumstances.

DOCUMENT NUMBER-DATE

10242 AUG 21 8

FILED TO THE SECRETARY

Respectfully submitted on August 21, 2000.

By: 
Kimberly Caswell
P. O. Box 110, FLTC0007
Tampa, Florida 33601-0110
Telephone No. (813) 483-2617

Attorney for Verizon Florida Inc.

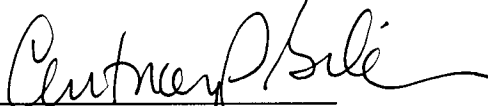
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Verizon Florida Inc.'s Petition For Approval of Section 252(i) Adoption of the Terms of the Interconnection Agreement Between DIECA Communications, Inc. d/b/a Covad Communications Company and GTE Florida Incorporated by PurePacket Communications of the South, Inc. was sent via overnight delivery on August 18, 2000 to:

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

PurePacket Communications, Inc.
Attention: Mike Huebner
1111 Alderman Drive
Alpharetta, GA 30005

Cole, Raywid & Braverman
Attention: Erik J. Cecil, Esq.
1919 Pennsylvania Avenue, N.W., Suite 200
Washington, DC 20006


for Kimberly Caswell

Steven J. Pitterle
Director-Negotiations
Wholesale Markets-Interconnection

GTE Network
Services

HQE03B67
600 Hidden Ridge
P.O. Box 152092
Irving, TX 75038
972/718-1333
FAX 972/719-1523

July 25, 2000

Mr. Mike Huebner
Director Business Development
PurePacket Communications, Inc.
1111 Alderman Drive
Alpharetta, GA 30005

Dear Mr. Huebner:

Verizon Florida Inc. f/k/a GTE Florida Incorporated ("Verizon") has received your letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), PurePacket Communications of the South, Inc. ("PurePacket") wishes to adopt the terms of the Interconnection Agreement between DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and GTE Florida Incorporated ("GTE") that was approved by the Commission as an effective agreement in the State of Florida in Docket No. 990182-TP (the "Terms"). The Terms provide for the election by Covad of certain additional provisions from a GTE arbitrated agreement ("Arbitrated Provisions")¹. I understand you have a copy of the Terms. Please note the following with respect to your adoption of the Terms.

1. By your countersignature on this letter, you hereby represent and commit to the following three points:
 - (A) PurePacket adopts the Terms of the Covad agreement for interconnection with Verizon and in applying the Terms, agrees that PurePacket shall be substituted in place of Covad in the Terms wherever appropriate.
 - (B) PurePacket requests that notice to PurePacket as may be required under the Terms shall be provided as follows:

To : PurePacket Communications, Inc.
Attention: Mr. Mike Huebner
1111 Alderman Drive
Alpharetta, GA 30005
Telephone number: 678/566-2727
FAX number: 770/566-2721

¹ These "agreements" are not agreements in the generally accepted understanding of that term. Verizon was required to accept these agreements, which were required to reflect then-effective FCC rules and other applicable law. All references to the Terms herein shall include the Arbitrated Provisions.

And to: Cole, Raywid & Braverman
Attention: Mr. Erik J. Cecil, Esq.
1919 Pennsylvania Ave., NW, Suite 200
Washington, DC 20006
Telephone number: 202/828-9848
FAX number: 202/452-0067

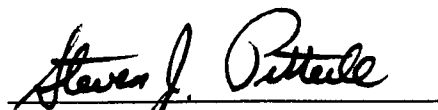
- (C) PurePacket represents and warrants that it is a certified provider of local telecommunications service in the State of Florida, and that its adoption of the Terms will cover services in the State of Florida only.
2. PurePacket's adoption of the Covad Terms shall become effective upon Verizon's filing of this letter with the Florida Public Service Commission and remain in effect no longer than the date the Covad Terms are terminated. The Covad agreement is currently scheduled to expire on July 21, 2001.
 3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by GTE of its position as to the illegality or unreasonableness of the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to petition the Commission, other administrative body, or court for reconsideration or reversal of any determination made by the Commission pursuant to arbitration in Docket No. 990182-TP, or to seek review in any way of any provisions included in these Terms as a result of PurePacket's 252(i) election.
 4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by either Verizon or PurePacket that any provision in the Terms complies with the rights and duties imposed by the Act, the decision of the FCC and the Commission, the decisions of the courts, or other law, and both Verizon and PurePacket expressly reserve their full right to assert and pursue claims arising from or related to the Terms.
 5. Verizon reserves the right to deny PurePacket's adoption and/or application of the Terms, in whole or in part, at any time:

- (a) when the costs of providing the Terms to PurePacket are greater than the costs of providing it to Covad;
 - (b) if the provision of the Terms to PurePacket is not technically feasible; and/or
 - (c) to the extent PurePacket already has an existing interconnection agreement (or existing 252(i) adoption) with Verizon and the Terms were approved before the date of approval of the existing interconnection agreement (or the effective date of the existing 252(i) adoption).
6. As noted above, pursuant to Rule 809, the FCC gave ILECs the ability to deny 252(i) adoptions in those instances where the cost of providing the service to the requesting carrier is higher than that incurred to serve the initial carrier or there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. Verizon never intended for Internet traffic passing through a telecommunications carrier to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation where the cost of providing the service is not cost based. With this in mind, Verizon opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Terms that might be interpreted to characterize traffic destined for Internet as local traffic or requiring the payment of reciprocal compensation.
7. Should PurePacket attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

Please sign this letter on the space provided below and return it to the undersigned.

Sincerely,

Verizon Florida Inc.
f/k/a GTE Florida Incorporated



Steven J. Pitterle
Director-Negotiations
Wholesale Markets-Interconnection

Mr. Mike Huebner
July 25, 2000
Page 4

Reviewed and countersigned as to points A, B, and C of paragraph 1:

PurePacket Communications of the South, Inc.

(SIGNATURE)

(PRINT NAME)

c: Renée Ragsdale – Verizon

Cole, Raywid & Braverman, L.L.P.

ATTORNEYS AT LAW

1919 PENNSYLVANIA AVENUE, N.W., SUITE 200

WASHINGTON, D.C. 20006-3458

Telephone (202) 659-9750

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Erik J. Cecil
Direct Dial
202-828-9848

ececil@CRBLaw.com

Los Angeles Office
238 Rosecrans Avenue, Suite 110
El Segundo, California 90245-4290
Telephone (310) 643-7999
Fax (310) 643-7997

July 5, 2000

Ms. Renee Ragsdale
Wholesale Markets-Interconnection
HQE03B75
600 Hidden Ridge
Irving TX 75038

Dear Ms. Ragsdale:

PurePacket Communications of the South, Inc. ("PurePacket") understands that GTE has received its letter stating that, under Section 252(i) of the Telecommunications Act of 1996 (the "Act"), PurePacket wishes to adopt the terms of the Interconnection Agreement between DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and GTE that was approved by the Commission as an effective agreement in the State of Florida in Docket No. 990182-TP (the "Terms"). PurePacket agrees to the following regarding its adoption of this Agreement.

1. PurePacket hereby represents and commits to the following three points:
 - (A) PurePacket adopts the Terms of the Covad agreement for interconnection with GTE and in applying the Terms, agrees that PurePacket shall be substituted in place of Covad in the Terms wherever appropriate.
 - (B) PurePacket requests that notice to PurePacket as may be required under the Terms shall be provided as follows:

To: PurePacket Communications, Inc.
Attention: Mr. Mike Huebner
1111 Alderman Drive
Alpharetta, GA 30005
Telephone number: 678/566-2727
FAX number: 770/566-2721

And to: Cole, Raywid & Braverman, L.L.P.
Attention: Mr. Erik J. Cecil, Esq.
1919 Pennsylvania Ave., NW, Suite 200
Washington, DC 20006
Telephone number: 202/828-9848
FAX number: 202/452-0067

- (C) PurePacket represents and warrants that it is a certified provider of local telecommunications service in the State of Florida, and that its adoption of the Terms will cover services in the State of Florida only.
2. PurePacket's adoption of the Covad Terms shall become effective upon GTE's filing of this letter with the Florida Public Service Commission and remain in effect no longer than the date the Covad Terms are terminated. The Covad agreement is currently scheduled to expire on July 21, 2001.
 3. PurePacket adopts the terms and conditions of this agreement pursuant to its statutory rights under section 252(i) and as modified by effective FCC orders. PurePacket understands that GTE does not provide the Terms to it as either a voluntary or negotiated agreement.
 4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999 and the remand of the pricing rules to the United States Eighth Circuit Court of Appeals. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by either GTE or PurePacket that any provision in the Terms complies with the rights and duties imposed by the Act, the decision of the FCC and the Commission, the decisions of the courts, or other law, and both GTE and PurePacket expressly reserve their full right to assert and pursue claims arising from or related to the Terms.
 5. PurePacket understands that GTE wishes to reserve its rights under 47 CFR § 809.

• Ms. Renee Ragsdale
July 5, 2000
Page 3

Please sign this letter on the space provided below and return it to the undersigned.

Sincerely,

GTE Florida Incorporated

Connie Nicholas
Assistant Vice President
Wholesale Markets-Interconnection

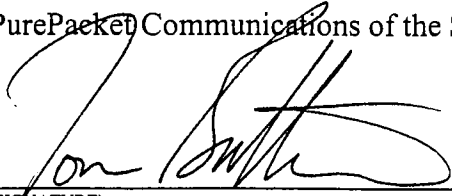
Ms. Renee Ragsdale

July 5, 2000

Page 4

Reviewed and countersigned as to points A, B, and C of paragraph 1:

PurePacked Communications of the South, Inc.



(SIGNATURE)

Tom BUTTERMORE

(PRINT NAME)

cc: Renée Ragsdale – GTE

**FIRST AMENDMENT TO
INTERCONNECTION, RESALE AND UNBUNDLING AGREEMENT
BETWEEN
GTE FLORIDA INCORPORATED
AND
DIECA COMMUNICATIONS, INC. d/b/a COVAD COMMUNICATIONS COMPANY**

THIS FIRST AMENDMENT to Interconnection, Resale and Unbundling Agreement (the "Agreement") which became effective July 27, 1999, is by and between GTE Florida Incorporated (GTE) and DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), GTE and Covad being referred to collectively as the "Parties" and individually as a "Party". This First Amendment covers services in the state of Florida (the "State").

WHEREAS, the Agreement, was approved by the Florida Public Service Commission's ("Commission") Order dated July 7, 1999 in Docket No. 990182-TP ("Agreement"); and

WHEREAS, subsequent to the approval of the Agreement, the Federal Communications Commission ("FCC") issued new rules regarding collocation on March 31, 1999 in the proceeding captioned as *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, FCC 99-48; and

WHEREAS, the Parties now wish to amend the Agreement to provide terms, conditions and prices for cageless collocation reflected in such new FCC rules as follows;¹

NOW, THEREFORE, in consideration of the mutual promises, provisions and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Article IX of the Agreement shall be amended to add paragraphs 3 and 3.1 through 3.4 specified below.
2. Appendix K and Attachment 1 to Appendix K, specified below, shall be added to the Agreement.
3. Except as specifically modified by this First Amendment, the Agreement shall remain in full force and effect.
4. If any provision in the Agreement conflicts with this First Amendment, this first amendment shall control.

¹ Notwithstanding this First Amendment, the Parties do not waive, and hereby expressly reserve, the right to challenge such FCC rules and/or whether this Amendment meets the requirements of those rules. The Parties further expressly reserve their rights pursuant to the "Changes in Legal Requirements" provision found in Article III, Section 35 of the Agreement, in the event that such rules are later modified or eliminated due to changes in legal requirements.

ARTICLE IX
COLLOCATION

3. Cageless collocation.

- 3.1 Cageless collocation is provided only pursuant to this Agreement. The specific terms, conditions and prices for cageless collocation are provided in Appendix K to this Agreement. The general terms and conditions of this Agreement also apply to cageless collocation.
- 3.2 The Parties intend to negotiate terms, conditions and prices for other forms of collocation required by the new FCC rules and to conduct further negotiations for the terms, conditions and prices for cageless collocation and to modify this Agreement as appropriate. The Parties agree that these subsequent negotiations constitute negotiations under sections 251 and 252 the Act, and, as such, the Parties retain all rights provided by the Act for negotiations and arbitration.
- 3.3 The Parties acknowledge that the prices for cageless collocation specified in Attachment 1 to Appendix K are interim and will be superceded by "Final Prices" determined by further agreement or by final order, including any appeals, in a proceeding involving GTE before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this agreement, including without limitation, the Federal Communications Commission.
- 3.4 To the extent Final Prices, or the terms and conditions for the application of Final Prices, are different than the prices and application of prices in Appendix K, the Final Prices will be applied retroactively to the effective date of this Amendment. The Parties will true-up any resulting over or under billing. Under the "true-up" process, the interim price for each service shall be multiplied by the volume of that service purchased to arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, Covad shall pay the difference to GTE. If the Total Final Price is less than the Total Interim Price, GTE shall pay the difference to Covad. Each party shall keep its own records upon which a "true-up" can be based and any final payment from one party to the other shall be in an amount agreed upon by the Parties based on such records.

IN WITNESS WHEREOF, each Party has executed this First Amendment and it shall be effective upon execution by both Parties.*

GTE Florida Incorporated

DIECA Communications, Inc. d/b/a
Covad Communications Company

By: Connie Nicholas

By: [Signature]

Name: Connie Nicholas

Name: Shruv Khanna

Title: Assistant Vice President
Wholesale Markets - Interconnection

Title: EVP + General Counsel

Date: November 5, 1999

Date: 11/19/99

APPROVED BY LEGAL DEPT.	
<u>TAP</u>	<u>10/29/99</u>
ATTORNEY	DATE

*GTE has agreed to allow this First Amendment to become effective upon execution in order to permit Covad to proceed with implementation of its competitive business strategies and plans prior to the approval of the Amendment by the Commission. In light of this, Covad hereby agrees that its obligations regarding indemnification, confidentiality and insurance set forth in sections 8, 9, and 10 of this First Amendment shall remain in effect notwithstanding the Commission's possible rejection of this Amendment.

APPENDIX K CAGELESS COLLOCATION

1.0 SCOPE OF AGREEMENT

1.1 Right to occupy. GTE hereby grants to Covad a right to occupy an unused space within a GTE premises, of a size which is specified by Covad and agreed to by GTE (hereinafter "Collocation Space"). Notwithstanding the foregoing, GTE shall consider in its designation for cageless collocation any space within the GTE central office premises or other enclosures as specified in the March 31, 1999 Order of the Federal Communications Commission, *In the matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, *First Report and Order and Further Notice of Proposed Rulemaking*, FCC 99-48 ("FCC Order 99-48"). The size specified by Covad may include a request for space sufficient to accommodate Covad's growth under the same space reservation policies applicable to GTE.

1.2 Use of Space. Covad shall use the Collocation Space for the purposes of installing, maintaining and operating Covad's equipment (to include testing and monitoring equipment mounted in Covad's bay) used or useful primarily to interconnect with GTE services and facilities, including access to unbundled network elements, for the provision of telecommunications services. Pursuant to Section 5 following, and subject to available building entrance conduit, Covad may at its option, place Covad-owned fiber entrance facilities to the Collocation Space. In addition to, and not in lieu of, interconnection to GTE services and facilities, Covad may connect to other interconnectors within the designated GTE Central Office (including to its other virtual or physical collocated arrangements) through co-carrier cross connect facilities designated by Covad. Interconnection to virtual arrangements will be negotiated on a case by case basis.

2.0 SPACE NOTIFICATION

2.1 Availability of Space. Upon submission of an Order pursuant to Section 5, GTE will permit Covad to physically collocate, pursuant to the terms of this Appendix K, at any GTE central office premises, unless GTE has determined that there is no space available due to space limitations. If available space is less than the amount requested in Covad's Order, GTE shall report available space in one-bay increments. When determining availability of space, GTE shall not unreasonably require Covad to segregate its equipment from GTE's equipment or to deploy Covad's equipment in a room or space separate from GTE's equipment. Covad will not be permitted to commingle its equipment with GTE's equipment in the same bay. GTE may designate a separate room or space for Covad's collocation provided this designation is made for the purpose of efficiently managing floor space and does not result in additional charges to Covad.

2.2 Reporting. Upon request from Covad, GTE will provide a written report specifying the amount of collocation space available at the central office premises requested, the number of collocators present at the central office premises, any modifications in the use of the space since the last report or the central office premises requested and the measures GTE is taking to

make additional space available for collocation arrangements. The charge for this report is specified in Attachment 1 to Appendix K.

2.3 Denial of Order. If GTE notifies Covad that GTE has no available space in the requested Central Office ("Denial of Order"), GTE will allow Covad, upon request, to tour the entire Central Office in compliance with applicable law.

2.4 Public Notification. GTE will maintain on its Interconnection Services website a notification document that will indicate all central office premises that are without available space. GTE shall update such document within ten (10) calendar days of the Denial of Order date.

3.0 COLLOCATION OPTIONS

3.1 Cageless Collocation.

3.1.1 GTE shall allow Covad to collocate Covad's equipment and facilities without requiring the construction of a cage or similar structure and without unreasonably requiring the creation of a separate entrance to the Collocation Space. GTE may designate a separate entrance to the collocation space provided this designation is made for the purpose of efficiently managing floor space and does not result in additional charges to Covad. GTE shall make cageless collocation available in single bay increments. GTE will designate the floor space location for each bay of equipment installed. GTE shall not require Covad to segregate its equipment from GTE's equipment or to deploy Covad's equipment in an isolated space separate from GTE's equipment. Covad will not be permitted to commingle its equipment with GTE's equipment in the same bay. GTE may designate a separate room or space for Covad's collocation provided this designation is made for the purpose of efficiently managing floor space and does not result in additional charges to Covad. GTE may maintain a minimum of a single bay separation between Covad's equipment and GTE's equipment unless such separation results in exhaustion of floor space. Covad is responsible for providing and installing its own equipment and equipment bay(s).

3.1.2 Covad may specify nonstandard equipment size requirements as described below on its application. If sufficient floor space is available, GTE will provide sufficient floor space to meet Covad's requirements.

3.1.2.1 Standard-sized bays— A standard-sized bay is a "23-inch bay," that measures 7 feet high, 26 inches wide, 12 inches deep. The bay space also entails an appropriate front and back aisle space component; normally this requires a 36-inch front aisle and 24-inch back aisle. These bays will require a 2-1/2 inch space on either side for cabling.

3.1.2.2 Large-sized bay—A large-sized bay is a "23-inch bay," that measures 7 feet high, 26 inches wide, 12 inches deep and requires a surrounding floor space sufficient to accommodate a 30-inch deep piece of equipment. The bay space also entails an appropriate front and back aisle space component; normally this requires a 36-inch front aisle and 24-inch back aisle. These bays will require a 2-1/2 inch space on either side for cabling.

3.1.3 Covad's bay configuration consists of two (2), four (4), or six (6) bays. GTE shall assign cageless Collocation Space in conventional equipment rack lineups. GTE may maintain a minimum of a single bay separation between Covad's equipment and GTE's equipment unless such separation results in the exhaustion of floor space. GTE will provide GTE standard lighting and the necessary support structure required by Covad or its contractor to mount equipment bays consisting of either vertical relay racks or an equipment cabinet in accordance with local standards. Covad is responsible for providing and installing the relay racks or cabinets.

3.2 Adjacent Collocation. GTE will provide adjacent collocation arrangements ("Adjacent Arrangement"), subject to technical feasibility as defined by 47 C.F.R. § 51.5, where space within the Central Office is legitimately exhausted. Covad shall be entitled to reserve adjacent space for structures or facilities in accordance with and subject to applicable law. The Adjacent Arrangement shall be constructed or procured by Covad. Covad shall construct, procure, maintain and operate said Adjacent Arrangement(s) pursuant to applicable terms and conditions to be negotiated by the Parties.

4. USE OF COLLOCATION SPACE

4.1 Equipment Type. GTE permits the collocation of any type of equipment used or useful for interconnection to GTE's network or for access to unbundled network elements in the provision of telecommunications services. Such equipment used or useful for interconnection and access to unbundled network elements includes, but is not limited to transmission equipment including, but not limited to, optical terminating equipment and multiplexers, and digital subscriber line access multiplexers, routers, asynchronous transfer mode multiplexers, and remote switching modules. GTE reserves the right to refuse use of Covad's equipment which does not meet GTE's documented network reliability standards and fire and safety codes as implemented by GTE in its facilities.

4.2 Entrance Facilities. Covad may elect to place Covad-owned or Covad-leased fiber entrance facilities into the Collocation Space. GTE will designate the point of interconnection in close proximity to the Central Office building housing the Collocation Space, such as an entrance manhole or a cable vault which are physically accessible by both parties. Covad will provide and place fiber cable at the point of interconnection of sufficient length to be pulled through conduit and into the splice location. In the event Covad utilizes a non-metallic, riser-type entrance facility, a splice will not be required unless safety considerations require otherwise.

4.2.1 Dual Entrance. GTE will provide at least two interconnection points at each central office premises where there are at least two such interconnection points available and where capacity exists. Upon receipt of a request for cageless collocation under this Appendix K, GTE shall provide Covad with information regarding GTE's capacity to accommodate dual entrance facilities. If conduit in the serving manhole(s) is available and is not reserved for another purpose for utilization within 12 months of the receipt of an application for collocation, GTE will make the requested conduit space available for installing a second entrance facility to Covad's arrangement. The location of the serving manhole(s) will be determined at the sole discretion of GTE. Where dual

entrance is not available due to lack of capacity, GTE will so state in the Application Response.

4.2.2 Shared Use. Covad may utilize spare capacity on an existing Interconnector entrance facility for the purpose of providing an entrance facility to another Covad collocation arrangement within the same GTE Central Office. Covad must arrange with GTE for GTE to splice the utilized entrance facility capacity to Covad-provided riser cable.

4.3 Co-Carrier Cross-connect. In addition to, and not in lieu of, obtaining interconnection with, or access to, GTE services, unbundled network elements, and facilities, Covad may directly connect to other Interconnectors within the designated GTE Central Office (including to its other virtual arrangements, as specified in 1.3 above, or physical collocated arrangements) through facilities owned by Covad or through GTE facilities designated by Covad, at Covad's option. Such connections to other carriers may be made using either optical or electrical facilities. Covad may deploy such optical or electrical connections directly between its own facilities and the facilities of other Interconnector(s) without being routed through GTE equipment.

4.4 Access. Covad shall have access to the Collocation Space twenty-four (24) hours a day, seven (7) days a week, without requiring either a security escort of any kind or delaying a competitor's employees' entry into GTE premises in any way.

4.5 In case of a GTE work stoppage, Covad's employees, contractors or agents will comply with the emergency operation procedures established by GTE. Such emergency procedures should not directly affect Covad's access to its premises, or ability to provide service. Covad will notify GTE's point of contact of any work stoppages by COVAD employees.

5. ORDERING AND PREPARATION OF COLLOCATION SPACE

5.1 Order. Covad shall indicate its intent to collocate in a GTE Central Office by submitting an Order to GTE. An Order consists of a completed application form, applicable engineering fee, and ASR. The allocation of collocation space is based on the receipt of 50% of the non-recurring charges specified in GTE's response to Covad's Order.

5.2 Order Response.

5.2.1 GTE will respond within fifteen (15) calendar days of receipt of an Order, disclosing (1) whether any space is available within a GTE central office premises.

5.2.2 GTE will provide a comprehensive written response ("Comprehensive Response) within fifteen (15) calendar days of receipt of an Order. The Comprehensive Response shall state:

- (a) the date on which GTE received the Order;
- (b) whether Extraordinary conditions exist, as described in paragraph 5.3;

- (c) the amount and configuration of the requested space, or, if the requested space is unavailable, the amount and configuration of the available space;

5.2.3 When multiple Orders are submitted within a ten (10) business day window, GTE will respond to the applications as soon as possible, but no later than the following: within fifteen (15) calendar days for Orders 1-10; within twentyfive (25) calendar days for Orders 11-20; within thirtyfive (35) calendar days for Orders 21-30. Response intervals for multiple Orders submitted within the same ten-business-day period for the same state in excess of 30 must be negotiated. In the event Covad submits multiple orders within a ten (10) business day period Covad may prioritize the orders and GTE will respond to the orders based on their priority.

5.2.4 The date on which GTE shall deliver the requested collocation space, as required by paragraph 5.3, will be determined after the Parties conduct a joint pre construction meeting.

5.2.5 Space preparation for the Collocation Space will begin on the date that GTE receives 50% of the specified non-recurring charges described above.

5.3 Cageless Collocation Construction and Provisioning Interval. GTE will complete construction for collocation arrangements under Ordinary Conditions as soon as possible and within a maximum of ninety (90) calendar days from receipt of payment of 50% of the specified non-recurring charges. Ordinary Conditions are defined as space available with only changes to support systems required, such as but not limited to, HVAC, cabling, cable racking, AC power, and the power plant(s). The completion date for construction under Extraordinary Conditions will be negotiated on a case by case basis. Extraordinary conditions are defined to include but are not limited to major GTE equipment rearrangement required to accommodate Covad's Order; power plant addition or upgrade required to accommodate Covad's Order; major mechanical addition or upgrade required to accommodate Covad's Order; major upgrade for ADA compliance required to accommodate Covad's Order; environmental hazard or hazardous materials abatement required to accommodate Covad's Order. GTE will reimburse Covad in an amount equal to one tenth of the total non-recurring charge for the Collocation Space for each week of delay.

5.3.1 Customer Facility Assignments ("CFAs"). GTE shall assign CFAs at the time the cabling is constructed.

5.3.2 Permits. GTE shall use its best efforts to assign Covad collocation space within existing infrastructure such that additional building permits will not be required. Should a permit be required, each Party or its agents will diligently pursue filing for the permits required, if any, for the scope of work to be performed by that Party or its agents.

5.3.3 Acceptance Walk Through. Covad and GTE will complete an acceptance walk through of each Collocation Space requested from GTE by Covad. GTE will correct any deviations to Covad's original or jointly amended requirements within three (3) business days after the walk through, unless the Parties jointly agree upon a different time frame.

5.4 Basic Facilities. Upon request of Covad, GTE will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff

offering for the service requested. GTE also shall provide Covad employees, contractors, agents, and representatives with reasonable access to basic facilities, such as restroom facilities, and parking, while at GTE's premises.

5.5 Space Preparation. Charges for space preparation are specified in Attachment 1 to Appendix K. Charges for environmental conditioning will be determined by dividing the total cost of environmental conditioning by a state specific fill factor.

5.6 COVAD shall have the right to use the designated staging area, a portion of the wire center(s) or access tandem(s) and loading areas, if available, on a temporary basis during Covad's equipment installation work in the Collocation space. Covad is responsible for protecting GTE's equipment and wire center or access tandem walls and flooring within the staging area and along the staging route. Covad will store equipment and materials within the Collocation space when work is not in progress (i.e., overnight). No storing of equipment and materials overnight will be permitted in the staging areas. Covad will meet all GTE fire, safety, security and environmental requirements. The temporary staging area will be vacated and delivered to GTE in an acceptable condition upon completion of the installation work.

6. RATES AND CHARGES

6.1 Non-recurring Fees. Covad shall remit payment 50% of the specified non-recurring charges, as applicable, coincident with submission of an Order. The outstanding balance of the non-recurring charges shall be due thirty (30) calendar days following Covad's receipt of a bill or invoice from GTE.

6.2 Charges. Charges for Cageless Collocation are specified in Attachment 1 to Appendix K.

6.3 Cable Installation. Cable Installation Fee(s) are assessed per entrance fiber placed.

6.4 Floor Space. The floor space charge includes reasonable charges for lighting, heat, air conditioning, ventilation and other allocated expenses associated with maintenance of the Central Office but does not include amperage necessary to power Covad's equipment. When the Collocation Space is enclosed, Covad shall pay floor space charges based upon the number of square feet so enclosed. When the Collocation Space is not enclosed, Covad shall pay floor space charges based upon the following floor space calculation: [(depth of the equipment lineup in which the rack is placed) + (0.5 x maintenance aisle depth) + (0.5 x wiring aisle depth)] X (width of rack and spacers). GTE's standard depth for both the maintenance aisle and the wiring aisle is 36 inches. For purposes of this calculation, the depth of the equipment lineup shall consider the footprint of equipment racks plus any equipment overhang. GTE will assign unenclosed Collocation Space in conventional equipment rack lineups where feasible. In the event Covad's collocated equipment requires special cable racking, isolated grounding or other treatment which prevents placement within conventional equipment rack lineups, Covad shall be required to request an amount of floor space sufficient to accommodate the total equipment arrangement. Floor space charges are due beginning with the date on which GTE releases the Collocation Space for occupancy.

6.5 Power. GTE shall supply -48 Volt (-48V) DC power and AC power for Covad's Collocation Space, as requested by Covad.

6.5.1 Charges for -48V DC power will be assessed per 40 ampere increments per month based upon the engineered and installed power feed. Rates include redundant feeder fuse positions (A&B) to Covad's equipment or space enclosure. GTE will terminate all power and other signalling cables on GTE BDFB, MDF or DSX equipment and run these cables to Covad's bay or cabinet leaving sufficient slack for Covad to terminate on its own equipment. When obtaining power from a GTE Battery Distribution Fuse Bay, fuses and power cables (A&B) must be engineered (sized), and terminated on Covad's equipment per GTE installation standards. When obtaining power from a GTE Power Board, power cables (A&B) must be engineered (sized), and terminated on Covad's equipment per GTE installation standards. Covad must also provide a copy of the engineering power specification in its collocation application. In the event GTE shall be required to construct additional DC power plant or upgrade the existing DC power plant in a Central Office as a result of Covad's request to collocate in that Central Office ("Power Plant Construction"), Covad shall pay its pro-rata share of costs associated with the Power Plant Construction. The pro-rata costs will be determined by dividing the total cost by a state specific fill factor. GTE shall comply with all BellCore (Telcordia) and ANSI Standards regarding power cabling, including BellCore (Telcordia) Network Equipment Building System (NEBS) Standard GR-63-CORE. GTE will notify Covad of the need for the Power Plant Construction and will estimate the costs associated with the Power Plant Construction if GTE were to perform the Power Plant Construction. Covad shall pay GTE one-half of its prorata share of the estimated Power Plant Construction costs prior to commencement of the work. Covad shall pay GTE the balance due (actual cost less one-half of the estimated cost) within thirty (30) days of completion of the Power Plant Construction. Where the Power Plant Construction results in an upgrade to GTE's existing power plant, upon termination of this Attachment, such upgrades shall become the property of GTE.

7.0 SECURITY AND SAFETY REQUIREMENTS

7.1 Reasonable Security Measures. GTE may impose reasonable security measures in addition to those expressly identified in this Section. In some cases, and by mutual agreement, GTE may charge Covad for the additional measures. GTE shall not use any information collected in the course of implementing or operating security arrangements for any marketing or other purpose in aid of competing with other carriers.

7.2 Access Keys. Covad agrees to submit a GTE standard certification of background investigation form for each employee, contractor, or agent provided with Access Keys or cards to a particular GTE central office ("Access Keys"). Covad is not required to provide supporting information such as background investigation forms or other background check information. Covad employees and employees of Covad contractors will be processed, investigated, and determined fit for access on a parity basis with GTE employees and employees of GTE contractors. Determinations of employee fitness for access made by GTE will be applicable to all GTE facilities in all GTE operating areas. Access Keys shall not be duplicated under any circumstances. Covad agrees to be responsible for all Access Keys and for the return of all said Access Keys in the possession of their employees, contractors, Guests,

or agents after termination of the employment relationship, applicable contractual obligation, or upon the termination of this Amendment.

7.2.1 GTE Security Contact. GTE shall designate a single employee to act as the sole contact with GTE for the ordering, delivery, and return of Access Keys and the exchange of any information described in this Section.

7.2.2 Delivery of Access Keys. On the date of delivery of the Collocation Space, GTE shall deliver Access Keys for all Covad employees, contractors, agents, or representatives requiring access to the relevant GTE central office premises.

7.2.3 Lost or Stolen Access Keys: Covad shall notify GTE in writing immediately in the case of lost or stolen Access Keys. Covad will pay GTE for reasonable, actual, and invoiced costs incurred per Access Key(s) lost or stolen. Should it become necessary for GTE to re-key buildings as a result of a lost Access Key(s) or for failure to return an Access Key(s), Covad shall pay for all reasonable, actual, and invoiced costs incurred for the re-keying.

7.3 Only GTE employees, GTE certified vendors and authorized employees, authorized agents of Covad, or authorized agents of other parties collocated in GTE's Central Office will be permitted in the GTE Central Office. The Parties shall provide their employees and agents with picture identification which must be worn and visible at all times while in the Collocation Space or other areas in or around the Central Office. The photo Identification card shall bear, at a minimum, the employee's name and photo, and Party's name.

7.4 Costs of Security Measures. Except as otherwise provided in section 7.1 above, Covad shall pay its share of the reasonable, actual, invoiced costs incurred by GTE for such security measures stated herein. Covad's share of such costs shall be determined by dividing the total cost by the state specific fill factor.

7.5 Covad's employees, agents, or contractors with access to GTE wire center(s) or access tandem(s) shall adhere at all times to all applicable laws, regulations and ordinances and to rules of conduct established by GTE for the wire center or access tandem and GTE's employees, agents and contractors. GTE reserves the right to make changes to such procedures and rules to preserve the integrity and operation of GTE network or facilities or to comply with applicable laws and regulations. GTE will provide written notification 30 days in advance of such changes.

8.0 Claims and Demands for Damage

8.1 Covad shall defend, indemnify and save harmless GTE, its directors, officers, employees, servants, agents, affiliates and parent from and against any and all suits, claims, demands, losses, claims, and causes of action and costs, including reasonable attorneys' fees, whether suffered, made, instituted or asserted by Covad or by any other party, which are caused by, arise out of or are in any way related to: (i) the installation, maintenance, repair, replacement, presence, engineering, use or removal of Covad's equipment or by the proximity of such equipment to the equipment of other parties occupying space in GTE's wire center(s) or access tandem(s), including, without

limitation, damages to property and injury or death to persons, including payments made under Workers' Compensation Law or under any plan for employees' disability and death benefits; (ii) Covad's failure to comply with any of the terms of this First Amendment; or (iii) any act or omission of Covad, its employees, agents, affiliates, former or striking employees or contractors. The obligations of this Section shall survive the termination, cancellation, modification or rescission of this First Amendment, without limit as to time.

8.2 Each Party shall be liable to the other Party only for and to the extent of any damage directly and primarily caused by the negligence or willful misconduct of the Party's agents or employees. Neither Party shall be liable to the other Party or its customers for any interruption of service or for interference with the operation of designated facilities arising in any manner out of the Covad's presence in GTE's wire center(s) or access tandem(s), unless such interruption or interference is caused by willful misconduct. In no event shall GTE or any of its directors, officers, employees, servants, agents, affiliates and parent be liable for any loss of profit or revenue by Covad or for any loss of AC or DC power, HVAC interruptions, consequential, incidental, special, punitive or exemplary damages incurred or suffered by Covad, even if GTE has been advised of the possibility of such loss or damage.

8.3 If the collocation equipment location in GTE's wire center(s) or access tandem(s) is rendered wholly unusable through no fault of Covad, or if the building shall be so damaged that GTE shall decide to demolish it, rebuild it, or abandon it for wire center or access tandem purposes (whether or not the demised premises are damaged in whole or in part), then, in any of such events, GTE may elect to terminate the collocation arrangements in the damaged building by providing written notification to Covad as soon as practicable but no later than 180 days after such casualty specifying a date for the termination of the Collocation arrangements, which shall not be more than 60 days after the giving of such notice. Upon the date specified in such notice, the term of the collocation arrangement shall expire as fully and completely as if such date were the date set forth above for the termination of this agreement. Covad shall forthwith quit, surrender and vacate the premises without prejudice. Unless GTE shall serve a termination notice as provided for herein, GTE shall make the repairs and restorations with all reasonable expedition subject to delays due to adjustment of insurance claims, labor troubles and causes beyond GTE's reasonable control. After any such casualty, Covad shall cooperate with GTE's restoration by removing from the collocation space, as promptly as reasonably possible, all of Covad's salvageable inventory and movable equipment, furniture and other property. GTE will work cooperatively with Covad to minimize any disruption to service, resulting from any damage. GTE shall provide written notification to Covad detailing its plans to rebuild and will restore service as soon as practicable. In the event of termination, GTE's rights and remedies against Covad in effect prior to such termination, and any fees owing, shall be paid up to such date. Any payments of fees made by Covad which were because any period after such date shall be returned to Covad. Subject to applicable law, GTE at all times will accord Covad parity treatment with itself and other CLECs affected by the damage described above.

9.0 Confidentiality

9.1 Covad shall not use or disclose and shall hold in confidence all information of a competitive nature provided to Covad by GTE in connection with Collocation or known to Covad as a result of Covad's access to GTE's wire center(s) or access tandem(s) or as a result of the interconnection of Covad's equipment to GTE's facilities. Similarly, GTE shall not use or disclose and shall hold in confidence all information of a competitive nature provided to it by Covad in connection with Collocation or known to GTE as a result of the interconnection of Covad's equipment to GTE's facilities. Such information is to be considered proprietary and shared within GTE and COVAD on a need to know basis only. Neither GTE nor Covad shall be obligated to hold in confidence information that:

- (1) Was already known to Covad free of any obligation to keep such information confidential;
- (2) Was or becomes publicly available by other than unauthorized disclosure; or
- (3) Was rightfully obtained from a third party not obligated to hold such information in confidence.

10. Insurance & Liability Requirements

10.1 Covad shall, at its sole cost and expense, obtain, maintain, pay for and keep in force insurance as specified following and underwritten by an insurance company(s) having a best insurance rating of at least AA-12.

10.2 GTE shall be named as an Additional Insured and a Loss Payee on all applicable policies as specified following:

- (1) Comprehensive general liability coverage on an occurrence basis in an amount of \$2,000,000 combined single limit for bodily injury and property damage with a policy aggregate of \$4,000,000. This coverage shall include the contractual, independent contractors products/completed operations, broad form property and personal injury endorsements.
- (2) Umbrella/Excess Liability coverage in an amount of \$10,000,000 excess of coverage specified in 1 above.
- (3) All Risk Property coverage on a full replacement cost basis insuring all of Covad's real and personal property located on or within GTE wire centers. Covad may also elect to purchase business interruption and contingent business interruption insurance, knowing that GTE has no liability for loss of profit or revenues should an interruption of service occur.
- (4) Statutory Workers Compensation coverage.
- (5) Contractual Liability coverage.
- (6) Automobile Liability coverage.
- (7) Employers Liability coverage in an amount of \$1,000,000.

10.3 All policies purchased by Covad shall be deemed to be primary and not contributing to or in excess of any similar coverage purchased by GTE.

10.4 All insurance must be in effect on or before GTE authorizes access by Covad employees or placement of COVAD equipment or facilities within GTE premises and such insurance shall remain in force as long as Covad's facilities remain within any space governed by this Appendix K. If Covad fails to maintain the coverage, GTE may pay the premiums and seek reimbursement from Covad. Failure to make a timely reimbursement will result in disconnection of service.

10.5 Covad shall submit certificates of insurance reflecting the coverage specified in 10.2 above with the check for 50% of the NRCs. Commencement of work by GTE will not begin until these are received.

10.6 Covad shall arrange for Covad's insurance company to provide GTE with thirty-(30) days' advance written notice of cancellation, non-renewal or termination.

10.7 Covad must also conform to the recommendation(s) made by GTE's fire insurance company, which GTE has already agreed, shall hereafter agree to.

10.8 Failure to comply with the provisions of this Section will be deemed a material breach of the terms of this Agreement.

APPENDIX K – ATTACHMENT 1

CAGELESS COLLOCATION RATES - FLORIDA

Elements	Increment	NRC / MRC	Rate
<u>Non-Recurring Prices</u>			
Engineering Costs			
Engineering Fee	per occurrence	NRC	\$1,169.68
Augment/Change Current Svc Arrangements	per occurrence	NRC	\$199.42
Access Card Administration (New/Replacement)	per card	NRC	\$20.62
Building Modification			
Site Modifications (for Construction inside GTE CO only)			
Demolition and Site Work	per request	NRC	\$596.37
Exterior Door	per request	NRC	\$2,638.13
Concrete Work	per request	NRC	\$369.00
Steel/Metals Work	per request	NRC	\$984.75
Painting/Finishes	per request	NRC	\$657.80
Interior Door	per request	NRC	\$1,644.94
Flooring Work	per request	NRC	\$902.59
HVAC - Minor (Heating, Ventilating & Air Condit'g)	per occurrence	NRC	\$2,011.88
Dust Partition	per request	NRC	\$1,815.48
Hardware - Lockset for Door	per unit	NRC	\$159.95
Electrical			
Lighting	per unit	NRC	\$790.54
Electrical Outlet	per outlet	NRC	\$716.84
Floor Grounding Bar	per bar	NRC	\$1,077.71
Cable Racking – Dedicated			
Engineering	per project	NRC	\$71.44
Installation and Materials – Racking	per linear foot	NRC	\$32.40
DC Power Facility			
Termination	per pwr run	NRC	\$56.43
Power Cable Pull – Labor	per linear foot	NRC	\$9.41
Engineering	per project	NRC	\$71.44
Fiber Cable Pull			
Engineering Costs	per project	NRC	\$606.30
Place Innerduct	per linear foot	NRC	\$1.40
Pull Cable	per linear foot	NRC	\$0.58
Cable Fire Retardant	per occurrence	NRC	\$37.62
Fiber Cable Splice	per fiber	NRC	\$41.80
Facility Pull			
Engineering Costs	per project	NRC	\$33.82
Per Foot Pull (labor)-DSO,DS1,DS3 or Fiber	per linear foot	NRC	\$0.94
Per DSO Cable Termination (Connectorized)	per 100 pr	NRC	\$3.76
Per DS1 Cable Termination (Connectorized)	per 28 pr	NRC	\$0.94
Per DS3 (coaxial) Termination			
Per Termination (Preconnectorized)	per DS3	NRC	\$0.94
Per Termination (Unconnectorized)	per DS3	NRC	\$9.41

BITS Timing				
Engineering Costs	per project	NRC		\$34.76
Material Cost and Pull Shielded Cable	per linear foot	NRC		\$1.08

Monthly Recurring Prices

Relay Rack Floor Space including Shared Access Area	per linear foot	MRC		\$9.23
Cabinet Floor Space including Shared Access Area	per linear foot	MRC		\$12.49
Cable Space				
Subduct Space				
Manhole	per project	MRC		\$5.61
Subduct	per linear foot	MRC		\$0.03
DC Power Facility and Utility				
Utility, Power Supply, Fuse Panels and Fuses	40 amps	MRC		TBD
Facility Termination				
DSO Cable – Material	per 100 pr.	MRC		\$3.00
DS1 Cable – Material	per 28 pr.	MRC		\$12.70
DS3 Cable – Material	per DS3	MRC		\$16.24
Cable Vault Splice				
Fiber Cable - 48 fiber				
Material	per splice	MRC		\$9.03
Space Utilization in Cable Vault	per subduct	MRC		\$0.82
Fiber Cable - 96 fiber				
Material	per splice	MRC		\$25.71
Space Utilization in Cable Vault	per subduct	MRC		\$0.82
Cable Rack – Common				
Metallic DSO Cable - Space Utilization	per linear foot	MRC		\$0.01
Metallic DS1 Cable - Space Utilization	per linear foot	MRC		\$0.01
Fiber Cable - Space Utilization	per innerduct ft.	MRC		\$0.01
BITS Timing	per port	MRC		\$9.38

Individual Case Basis (ICB)

Major Environmental Conditioning (HVAC)	per project	ICB		ICB
Major Power Plant Upgrades	per project	ICB		ICB
Equipment Rearrangement	per project	ICB		ICB
Major Conduit & Cable Vault Additions	per project	ICB		ICB
Asbestos Removal	per project	ICB		ICB

MISCELLANEOUS COLLOCATION RATES

Elements	Increment	NRC / MRC	Rate
Labor:			
Overtime Installation Labor	per rates below		
Overtime Repair Labor	per rates below		
Additional Installation Testing Labor	per rates below		
Standby Labor	per rates below		
Testing & Maintenance with Other Telcos, Labor	per rates below		
Other Labor	per rates below		
Labor Rates:			
Basic Time, Business Day, Per Technician			
First Half Hour or Fraction Thereof		NRC	\$41.66
Each Additional Half Hour or Fraction Thereof		NRC	\$20.83
Overtime, Outside the Business Day			
First Half Hour or Fraction Thereof		NRC	\$100.00
Each Additional Half Hour or Fraction Thereof		NRC	\$75.00
Prem. Time, Outside Business Day, Per Tech			
First Half Hour or Fraction Thereof		NRC	\$150.00
Each Additional Half Hour or Fraction Thereof		NRC	\$125.00
GTE Provided Cable Rates:			
Facility Cable			
DS-O Cable (Connectorized) 100 pair	100 ft.	NRC	\$157.69
DS-1 Cable (Connectorized)	100 ft.	NRC	\$165.77
DS-3 Coax Cable	per linear foot	NRC	\$0.42
Shielded Cable (Orange jacket)	per linear foot	NRC	\$0.16
Power Cable			
Wire Power 1/0	per linear foot	NRC	\$0.77
Wire Power 2/0	per linear foot	NRC	\$1.11
Wire Power 3/0	per linear foot	NRC	\$1.24
Wire Power 4/0	per linear foot	NRC	\$1.52
Wire Power 350 MCM	per linear foot	NRC	\$2.60
Wire Power 500 MCM	per linear foot	NRC	\$3.63
Wire Power 750 MCM	per linear foot	NRC	\$5.58
Wire Ground #6	per linear foot	NRC	\$0.15
Collocation Space Report	per premise	NRC	\$1,637.25

**LINE SHARING AMENDMENT TO
INTERCONNECTION, RESALE AND UNBUNDLING AGREEMENT
BETWEEN
GTE FLORIDA INCORPORATED
AND
DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY**

THIS LINE SHARING AMENDMENT to Interconnection, Resale and Unbundling Agreement (the "Agreement") which became effective July 21, 1999, is by and between GTE Florida Incorporated and DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") (GTE and Covad being referred to collectively as the "Parties" and individually as a "Party"). This Line Sharing Amendment covers services in the state of Florida (the "State").

RECITALS

WHEREAS, the Agreement was approved by the Commission's Order dated July 7, 1999 in Docket No. 990182 ("Agreement"); and

WHEREAS, GTE and Covad are entering into this Amendment to implement the Federal Communications Commission's ("FCC") Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (released December 9, 1999) (FCC 99-355) ("Line Sharing Order").

1. The Agreement shall be amended by the addition of the following Article:

**ARTICLE VII A
LINE SHARING**

1. General.

- 1.1 Description of Service. For purposes of this Agreement, line sharing is access to the high frequency spectrum network element, which is defined as the frequency range above the voiceband on a copper loop facility that is being used by GTE to carry analog circuit-switched voiceband transmissions. GTE shall provide line sharing to the Covad on a nondiscriminatory basis for use only in the provision of telecommunications service in accordance with, and subject to, the terms and conditions of this Agreement and Applicable Law.

- 1.2 Basic Requirements. The following requirements shall serve as conditions to GTE's obligation to provide line sharing hereunder:

- (a) Line sharing will be permitted for any ADSL or voice compatible xDSL ("DSL") technologies that are presumed acceptable for deployment pursuant to applicable FCC rules and orders, including without limitation Asymmetric Digital Subscriber Line ("ADSL"), G.Lite, Rate-Adaptive ADSL and Multiple Virtual Lines. As additional technologies that may be compatible with existing services on a loop become

available, the parties will address their possible deployment, consistent with the requirements of applicable FCC rules and orders. The DSL technology used by Covad will be within the PSD mask parameters set forth in T1.413 or other applicable industry standards.

(b) GTE provides retail analog circuit switched voice band service ("Voice Service") on the loop to the same end-user for which Covad provides the DSL line sharing service. If GTE discontinues the provision of such Voice Service for any permissible reason not prohibited by Applicable Law, GTE shall provide notice to Covad via e-mail that the Voice Service has been discontinued. Within five (5) business days after such notice, Covad shall notify GTE via e-mail that it desires to: (i) discontinue the end-user's line sharing DSL service; or (ii) continue providing DSL service to the end-user over an unbundled loop without line sharing. If Covad does not make an affirmative election during said five (5) business day period, option (i) shall be implemented. If option (ii) is implemented, the Parties shall cooperate to transition the continuation of such DSL service without line sharing and without interruption.

(c) For existing end-users with line sharing DSL service, GTE shall provide no less than five (5) business days notice to Covad via e-mail that it intends to decommission the line shared copper loop. During such five (5) business day period, Covad shall notify GTE via e-mail that it desires to: (i) discontinue the end-user's line sharing DSL service; or (ii) continue providing DSL service to the end-user over an unbundled loop without line sharing. If Covad does not make an affirmative election during said five (5) business day period, option (ii) shall be implemented. If option (ii) is implemented, the Parties shall cooperate to transition the continuation of such DSL service without line sharing and without interruption.

1.3 Availability. Provided that the requirements of this Agreement are met, line sharing shall be available under the following circumstances:

(a) The end-user has Voice Service from GTE and wishes to add DSL service from Covad.

(b) The end-user has Voice Service and DSL service from GTE and wishes to convert the DSL service to Covad.

(c) The end-user wishes to establish both new Voice Service from GTE and new DSL service from Covad, subject to the requirement that Voice Service must be established prior to the implementation of DSL service.

(d) The end-user has Voice Service from GTE and DSL service from another competitive local exchange carrier and wishes to convert the DSL service to Covad.

At this time, line sharing will not be available where the end-user has had its Voice Service number ported out to another local service provider either through interim number portability or long-term local number portability. In addition, GTE shall not provide line sharing to more than one competitive local exchange carrier per loop.

1.4 Reservation of Rights. Notwithstanding anything to the contrary in this Agreement, the Parties do not waive, and hereby expressly reserve, their rights: (a) to challenge, or to continue to challenge, the legality and/or propriety of, FCC Rule 51.319, the FCC Line Sharing Order (CC Docket No. 96-98 and 98-147; FCC 99-355) and/or any other related FCC orders or rules, including, without limitation, the FCC Collocation Order in CC Docket No. 98-147 (rel. March 31, 1999) which was remanded and vacated in part by the United States Court of Appeals for the District of Columbia Circuit on March 17, 2000 (*See, GTE Service Corporation, et. al. v. Federal Communications Commission and United States of America*, No. 99-1176, consolidated with No. 99-1201, 2000 U.S. App. LEXIS 4111 (D.C. Cir. 2000)); (b) to continue to prosecute the current appeal of the FCC pricing rules pending before the Eighth Circuit Court of Appeals; (c) to assert or continue to assert that certain provisions of the FCC's First, Second and Third Report and Order in FCC Docket No. 96-98 and other FCC orders or rules are unlawful, illegal and improper; (d) to assert that modifications to this Agreement from a pricing and/or policy standpoint may be necessary to address or account for the use of line sharing for the provision of voice service, including, without limitation, voice over IP or voice over DSL service; (e) to assert or continue to assert any rights or challenges already reserved or existing under the Agreement, including, without limitation, any litigation related to the Agreement; (f) to continue to assert that the discontinuance of Splitter Option No. 2 is unlawful, illegal, and improper, and (g) to take any appropriate action relating to the offering of line sharing based on the outcome of any of the actions or challenges described in subparagraphs (a)-(f) above or any other actions. Covad further reserves the right to seek to have this Article be construed and interpreted to enable Covad to offer the broadest possible array of advanced services to consumers in the State. The Parties' consent herein shall not be considered a waiver of any rights granted or clarified by the FCC or the Commission. The Parties enter into this Agreement without waiving current or future relevant legal rights and without prejudicing any position the Parties may take on relevant issues before industry fora, state or federal regulatory or legislative bodies, or courts of competent jurisdiction. The provisions of this Section shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time.

1.5 Further Assurances. The Parties agree to cooperate in any reasonable arrangement designed to facilitate the development of necessary and appropriate standards and processes for the implementation of line sharing, and to document the same for purposes of this Agreement.

1.6 Customer Education. GTE and Covad shall make end-users aware of the following conditions and requirements:

(a) The end-user should call GTE for problems related to its Voice Service. The end-user should call its Covad contact for problems related to its DSL service.

(b) The end-user's line shared DSL service is dependent on its Voice Service. If there is a problem with the physical line that causes the Voice Service to be

inoperative, the end-user may also be unable to use DSL services for some period of time.

(c) Subject to the requirements of Sections 1.2(b) and (c), end-users will not be able to use Covad line shared DSL services if GTE Voice Services on the shared line are cancelled or terminated for any reason.

2. Operations Matters.

2.1 Copper Network. Except as otherwise provided in Section 2.2, GTE shall provide line sharing to Covad utilizing an all-copper pair between an end-user customer demarcation location and the main distribution frame in GTE's serving wire center that is jumpered and cross-connected to a Covad collocation arrangement located in said serving wire center. At the serving wire center, GTE shall connect the line to a Covad tie cable via a GTE-provided jumper; provided, however, that Covad must first have obtained said tie cable from GTE to connect to Covad's collocation arrangement.

2.2 Fiber-Fed DLC Network. GTE shall provide line sharing to Covad over Digital Loop Carrier ("DLC") to the extent required pursuant to Applicable Law, and without waiving any rights to challenge any such requirement. Fiber-fed DLC consists of an all-copper pair from the end-user customer demarcation location to a remote terminal (i.e., controlled environmental vault, fiber hut, cabinet or other structure with DSL-capable DLC equipment installed). Fiber fed DLC includes a fiber feeder loop from the central office to the remote terminal.

2.3 Splitter Options. To utilize line sharing, Covad must obtain access to a splitter that meets the requirements for equipment collocation set by the FCC in its Collocation Order in CC Docket No. 98-147 (rel. March 31, 1999) in the central office that serves the end-user of the shared line. Covad may obtain access to said splitter via the following options. Notwithstanding the foregoing, prior to June 6, 2000, GTE shall equip as many central offices as possible with a GTE-owned splitter as described in Option No. 2 below. Covad agrees to use this configuration for initial line sharing in the central offices that GTE commits to have fully operational on or before June 6, 2000 (assuming that unforeseen delays in the availability of necessary equipment and/or labor, or other circumstances beyond GTE's control, do not occur) as set forth on Exhibit 1 attached hereto. For those central offices that GTE cannot commit to have fully operational with a GTE-owned splitter on or before June 6, 2000, Covad may choose to deploy its own splitter as described in Option No. 1 below. GTE shall provide Covad with written notice in the event that Exhibit 1 needs to be revised due to unforeseen delays or other circumstances beyond GTE's reasonable control. For any central office in which Covad chooses to install its own splitter, GTE agrees to install any additional tie cables required by Covad, in accordance with, and subject to, the terms of collocation set forth in this Agreement and/or applicable GTE tariffs. GTE will discontinue Option No. 2 effective on the earlier to occur of December 15, 2000 or the termination of this Agreement (the "Option No. 2 Termination Date"). GTE, at its discretion however, may continue Option No. 2 past the Option No. 2 Termination Date. Covad shall have the

right to the Option No. 2 alternative during the period until the Option No. 2 Termination Date, provided, however, that GTE shall discontinue deploying splitters effective on such date. GTE's discontinuance of Option No. 2 shall not diminish its obligation to complete initial splitter deployment in the central offices identified on Exhibit 1. Covad will be permitted to continue to utilize GTE owned splitters that have been assigned to it as of the Option No. 2 Termination Date, until the line sharing service applicable to such splitter as of such date has been discontinued or terminated by Covad. Notwithstanding anything to the contrary herein, any splitter installed by Covad or GTE shall: (1) comply with ANSI T1E1 standards and NEBS standards; (2) employ DC blocking capacitors or equivalent technology to assist in isolating high bandwidth trouble resolution and maintenance to the high frequency portion of the frequency spectrum; and (3) be designed so that the analog voice "dial tone" stays active when the splitter card is removed for testing or maintenance.

(a) Option No. 1: CLEC Owned Splitter Located in the Collocation Arrangement of Covad. Covad may choose to obtain the splitter directly and place the splitter in its collocation arrangement. Covad shall purchase and own the splitter. Under this option, both the non-Covad voice traffic and the Covad-provided DSL services will arrive at the Covad collocation arrangement via a tie cable obtained from GTE. At the collocation arrangement, the tie cable will terminate at the splitter, which will separate the voice traffic and the DSL traffic. Covad will retain the DSL traffic and will return the voice traffic to GTE, over a separate CLEC tie pair assignment.

(b) Option No. 2: GTE Owned Splitter Located in an Area of the Serving Wire Center Controlled Exclusively by GTE. Covad may choose to have GTE purchase and own the splitter and locate the splitter in an area in the serving wire center to which Covad does not have access (e.g., on or as close to the main distribution frame as practical). Said splitter shall be installed in any of the following locations within the central office, at GTE's discretion--the main distribution frame, in a relay rack mounted arrangement or intermediate frame arrangement. In this scenario, Covad shall obtain the splitter functionality on an individual "port-at-a-time" basis. GTE shall perform all maintenance and repair work (as detailed further below in Section 2.11). Covad shall receive its DSL traffic via a tie cable obtained from GTE, running from the main distribution frame to the splitter and then from the splitter to Covad's collocation arrangement. Under this Option, GTE shall provide to Covad loop and splitter functionality that is compatible with any transmission technology that Covad seeks to deploy using the high frequency portion of the loop, provided that such transmission technology is presumed to be deployable pursuant to applicable FCC rules and orders.

(c) Option No. 3: CLEC Owned Splitter Located in an Area of the Serving Wire Center Controlled Exclusively by GTE Via Virtual Collocation. GTE shall offer Covad an additional option under which it may choose to purchase and own the splitter and have it located via a virtual collocation arrangement in an area in the serving wire center to which Covad does not have access. In this scenario, Covad shall obtain the splitter functionality on a "shelf at-a-time" basis. GTE shall perform all maintenance and repair work. Covad shall receive its DSL traffic via a tie cable obtained from GTE,

running from the main distribution frame to the virtually collocated splitter and then from the splitter to Covad's collocation arrangement. GTE shall offer Covad virtual collocation under this Option in accordance with the terms of the GTE federal collocation tariff (FCC Tariff No. 1), provided, however, that for purposes of this Agreement, the Parties shall treat the tariff rates applied to the virtual collocation of a splitter as interim, and subject to true-up, in accordance with the terms outlined in Section 3.1. During the sixty (60) day period following the effective date of this Article, the Parties agree to cooperate in the negotiation and development of any terms necessary to implement virtual collocation for line sharing. Any interim rates established pursuant to such negotiation shall be subject to true-up in accordance with the terms outlined in Section 3.1.

2.4 Collocation. GTE will revise collocation applications to include requests for information regarding line sharing equipment. Covad will specify its requirements for line sharing on the collocation application for that central office. If Covad's collocation application is accepted, GTE will make the office ready for line sharing during the interval applicable to Covad's request for collocation. GTE shall complete the installation and provisioning of any tie cable ordered by CLEC in accordance with, and subject to, the terms of collocation set forth in this Agreement and/or applicable GTE tariffs. GTE shall process all Covad applications and firm orders for augmenting its collocation arrangements to use line sharing in accordance with, and subject to, the terms of collocation set forth in this Agreement and/or applicable GTE tariffs.

2.5 Transport. GTE shall make available to Covad interoffice transport to transport its high frequency traffic between its collocation arrangement in the serving wire center and its point-of-presence, node, or collocation arrangement in a different wire center in accordance with, and subject to, the terms of this Agreement and/or applicable GTE tariffs.

2.6 End-User Premises Equipment. Covad must provide the end-user with, and is responsible for the installation of, a modem, splitter, filter(s) and/or other equipment necessary at the end-user premises to receive separate Voice Services and DSL services across the same loop. Covad is also responsible for the installation and maintenance of such equipment. Covad shall determine the necessary customer premises equipment.

2.7 Pre-ordering. During pre-ordering, GTE shall provide Covad with nondiscriminatory access to the loop qualification information required by applicable FCC rules and orders including, but not limited to, the following:

- (a) The composition of the available loop material (including without limitation fiber optics and copper);
- (b) The existence, location and type of electronic or other equipment on the loop (including without limitation DLC or other remote concentration devices, feeder/distribution interfaces, bridged taps, load coils, pair gain devices, repeaters,

remote switching units, range extenders, AMI T-1s in the same or adjacent binder groups, and other potential disturbers);

- (c) Loop length, including the segment length and location of each type of transmission media;
- (d) Loop length by wire gauge; and
- (e) The electrical parameters of the loop.

GTE shall enable Covad to perform all pre-ordering functions via a real-time, electronic interface, including accessing the information available to GTE contained in all systems and databases containing loop qualification information, as soon as possible after the interface becomes available. Until such time as a real-time, electronic interface is made available to Covad by GTE, GTE shall enable Covad to perform all pre-ordering functions via a Web GUI, including accessing the information available to GTE contained in all systems and databases containing loop qualification information.

2.8 Ordering. GTE shall enable Covad to perform all ordering functions via a real-time, electronic interface, as soon as possible after the interface becomes available. Until such time as a real-time, electronic interface is made available to Covad by GTE, GTE shall enable Covad to order line sharing, or the conditioning of lines via a Web GUI.

2.9 Provisioning. GTE will work cooperatively with Covad to prioritize the order and timeframe in which GTE will complete deployment of POTS splitters and other equipment necessary to provision line sharing in GTE's offices where Covad is currently collocated or where collocation is in the process of being provisioned capable of supporting shared lines. After this Article becomes effective, for offices where Covad notifies GTE of its intent to deploy line sharing, it must provide a rolling six (6) month forecast of line sharing orders, which is updated every three (3) months. These forecasts will be utilized to assist the Parties in the more efficient provisioning of line sharing, but shall not be binding on either Party. These forecasts will be treated as confidential information pursuant to the Agreement and shall be used by GTE solely for wholesale capacity planning purposes. As soon as a central office has a splitter installed, GTE will begin accepting orders for lines served by that office. GTE will initially provision line sharing within its current standard DSL retail provisioning intervals for unconditioned (five (5) business days) and conditioned loops (eleven (11) business days). The Parties acknowledge that these intervals are subject to change based on systems mechanization, changes in Applicable Law (including, without limitation new OSS requirements), order volumes and other agreed upon procedures that better facilitate line sharing, provided, however, that such intervals shall remain at parity with GTE's actual DSL retail provisioning intervals.

2.10 Conditioning. Covad may order conditioning of shared lines, which may involve the removal of bridge taps, filter, extenders and load coils. GTE will perform loop conditioning if the loop loss for voice services is less than -8.0dB.

2.11 Testing, Repair and Maintenance.

(a) GTE shall test the line shared loop to confirm copper continuity and for pair balance prior to completing the installation.

(b) GTE will provide Covad with access to the loop facility for testing, repair and maintenance activities via its Wholesale Internet Service Engine ("WISE") website (<http://www.gte.com/wise>) 4-Tel loop testing mechanism. GTE shall provide CLECs with equivalent electronic access to any testing functionality which GTE and/or GTE's affiliates utilize to provide DSL services. GTE is responsible for all testing of facilities and equipment terminated to its main distribution frame and Covad is responsible for all testing of facilities located within its collocation space. Covad shall have physical and/or remote test access to the GTE loop testing mechanism twenty-four hours a day, seven days a week. For line sharing testing purposes (i.e., high frequency spectrum only), Covad's point of demarcation will be within the Covad's collocation space.

(c) GTE will be responsible for repairing Voice Service and the physical line between the network interface device at the end-user premises and Covad demarcation point in the central office. Covad will be responsible for repairing its DSL services and any end user related DSL component at the end-user premises. Each entity will be responsible for maintaining its own equipment. In response to a trouble ticket opened by Covad, GTE shall conduct any necessary repair work for line sharing on a twenty-four-hour-a-day, seven-day-a-week basis, and shall maintain a mean-time-to-repair interval of twenty-four (24) hours, applied monthly, on a parity basis with GTE's actual retail repair intervals. GTE is responsible for all repair and maintenance of facilities and equipment terminated to its main distribution frame and Covad is responsible for all repair and maintenance of facilities located within its collocation space. Where GTE owns the splitter and does not provide Covad with access to the splitter, GTE shall conduct any necessary repair work on the splitter on a twenty-four-hour-a-day, seven-day-a-week basis, and shall maintain a mean-time-to-repair interval of twenty-four (24) hours, applied monthly, on a parity basis with GTE's actual retail repair intervals. Where Covad owns the splitter, Covad is responsible for performing maintenance, repair and testing on the splitter.

(d) GTE and Covad agree to coordinate in good faith any testing, repair and maintenance that will significantly impact the line shared service provided by the other party. GTE and Covads will work together to diagnose and resolve any troubles reported by the end-user and to develop a permanent process for repair of shared lines. In the interim, GTE and Covad will work together to address end-user initiated repair requests and to prevent adverse impacts to the end-user. Where GTE has isolated a trouble with the Voice Service to be in Covad provided equipment, GTE shall notify Covad and Covad will be required to clear the trouble associated with the GTE lifeline voice

services. Where such troubles are not cleared within 3 hours, or if Covad consents before the end of such 3 hour period, GTE has the right to strap-through the voice service on the GTE main distribution frame, isolating Covad equipment from the GTE loop facility. This strap-through arrangement shall be limited in duration to the time necessary to repair the trouble. Covad is responsible for informing GTE of any life line data services (e.g. heart monitor), which may be being provided over the high frequency portion of the loop, that would preclude any such strap-through activity by GTE.

2.12 End-Users with Burglar Alarm Systems. GTE shall not be liable for any damages, costs, expenses, etc. which arise in connection with, are caused by or result from line sharing services interference with, or impairment of, the end-user's burglar alarm systems.

2.13 DAML Removal. Upon Covad request, GTE shall be required to remove a Digital Added Main Line ("DAML") when the DAML is used to serve a single end-user and that end-user agrees to the removal. Covad shall be obligated to obtain consent from the end-user prior to requesting such DAML removal. Said consent shall evidence that the end-user knowingly and voluntarily agrees to the discontinuation of any and all services associated with the additional lines which shall be terminated as a result of such DAML removal. Covad is only obligated to obtain said consent so long as GTE obtains the same consent for its own end-users.

3. Financial Matters.

3.1 Interim Pricing. The rates and charges for line sharing services provided pursuant to this Agreement are set forth on Exhibit 2.¹ Notwithstanding anything in this Agreement to the contrary, these rates and charges are interim pending the outcome of the Commission's rate proceeding regarding line sharing. It is GTE's position that the interim pricing proposal does not reflect all the costs associated with line sharing for all configurations (e.g., the costs associated with collaborative testing, costs associated with OSS-related implementation costs, loop conditioning costs, etc.). GTE reserves the right to present its costs and rates, and seek recovery for them (including a retroactive true-up) in the line sharing pricing proceeding. Covad does not agree with GTE's position. It is Covad's position that the interim prices for line sharing services in this Agreement exceed TELRIC. Covad reserves the right to present costs and rates that it believes are TELRIC compliant in the line sharing pricing proceeding, and to seek a retroactive refund for overpayment. To the extent that the line sharing rates for GTE (the "Line Sharing Rates"), or the terms and conditions for application of the Line Sharing Rates, are different than specified in this Section, the Line Sharing Rates will be applied prospectively pending the issuance of a final, binding and non-appealable order. Upon the issuance of such an order, the Line Sharing Rates will be applied retroactively to the

¹ Collocation is a prerequisite to line sharing. Covad must first collocate digital subscriber line access multiplexer (DSLAM) equipment and splitters (under Option No. 1 described in Section 2.3) in GTE's central office and order applicable tie cables in connection therewith. The applicable conditions, rates, and charges for satisfying these collocation requirements are contained within the collocation provisions of the Agreement and are separate from the interim line sharing rates and charges proposed herein.

effective date of this Agreement. The Parties will true up any resulting over or under billing. Any underpayment shall be paid, and any overpayment shall be refunded, within forty-five (45) business days after the date on which any such Line Sharing Rate order becomes final, binding and non-appealable. Such true-up payments, if any, shall also include interest computed at the prime rate of the Bank of America, N.A. in effect at the date of said order.

3.2 Nonwaiver. The Parties do not waive, and hereby expressly reserve, their rights to assert or continue to assert that certain of the rates, charges or terms established in any other proceeding (including, without limitation, the Line Sharing Rates) are unlawful, illegal and improper. The Parties further expressly reserve their past, present and future rights to challenge and seek review of any and all such rates, charges or terms in any court or commission of competent jurisdiction or other available forum. Such terms, rates or charges are further subject to change and/or modification resulting from future orders or decisions of any commission, court or other governmental authority having competent jurisdiction that address the following: (a) GTE's costs (e.g., actual costs, contribution, undepreciated reserve deficiency, or similar GTE costs (including GTE's interim universal service support charge)); (b) the establishment of a competitively neutral universal service system; (c) any and all actions seeking to invalidate, stay, vacate or otherwise modify any FCC order in effect as of the effective date, or during the term, of this Agreement which impact such terms, rates and/or charges, including, without limitation, the matters described in Section 1.4; or (d) any other relevant appeal or litigation. If any such rates, charges and/or terms are adjusted or otherwise modified, in whole or in part, in the proceeding or in any other proceeding, then this Agreement shall be deemed to have been automatically amended, and such amendment shall be effective upon the date of the applicable order. Such adjusted or modified rates and charges will be applied prospectively pending the issuance of a final, binding and non-appealable order in the subject proceeding. At such time as the applicable order becomes final, binding and non-appealable, the adjusted or modified rates and charges established therein shall be applied retroactively to the effective date of the amendment to this Agreement regarding line sharing. The Parties will true-up any resulting over or under billing in accordance with the requirements of Section 3.1. The Parties agree that the provisions of this Section shall survive the termination, rescission, modification or expiration of this Agreement without limit as to time. The Parties acknowledge that either Party may seek to enforce the provisions of this Section before a commission or court of competent jurisdiction.

3.3 Loop Costs. In developing its interim prices set forth in Section 3.1, GTE did not include any loop costs. GTE's pricing methodology, however, is premised on the assumption that GTE will be afforded an opportunity to recover all its actual costs -- including the total actual cost of the loop -- in prices for services and in explicit universal service support. If GTE cannot recover all its costs, then GTE's pricing methodology must change and GTE reserves the right to require such a change. Also, GTE does not agree with the FCC's UNE pricing rules, which do not allow prices to be based on an ILEC's actual costs or opportunity costs. The Court of Appeals for the Eighth Circuit is considering the substantive validity of the FCC's pricing rules, and GTE reserves its right to change its prices if the court stays, vacates, or modifies the FCC's rules.

3.4 Billing. Billing for line sharing will be handled via the GTE CBSS system, consistent with the billing for UNE loops.

2. Except as specifically modified by this Amendment, the Agreement shall remain in full force and effect.
3. If any provision in the Agreement conflicts with this Amendment, this Amendment shall control.
4. This Amendment shall become effective upon the later to occur of June 6, 2000 or the date the Parties shall execute the same (the "Effective Date"). The term of this Amendment shall expire on December 15, 2000. The Parties agree that all of their obligations and duties hereunder shall remain in full force and effect pending the final disposition of the Commission review and approval process.
5. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Agreement.
6. This Amendment, together with its preamble and recitals and with any exhibits, schedules, appendices or other attachments hereto, each of which is incorporated by this reference, sets forth the entire understanding of the Parties, supersedes all prior agreements between the Parties and merges all prior discussions between the Parties, with respect to the subject matter contained herein.

IN WITNESS WHEREOF, each Party has executed this Amendment and it shall be effective upon the Effective Date.

GTE Florida Incorporated

DIECA Communications, Inc. d/b/a
Covad Communications Company

By: Connie Nicholas

By: [Signature]

Name: Connie Nicholas

Name: DHRUV KHANNA

Title: Assistant Vice President
Wholesale Markets-Interconnection

Title: EVP- GC

Date: June 7, 2000

Date: 6/6/00

APPROVED BY LEGAL DEPT.	
TDP	6/11/00
ATTORNEY	DATE

GTE CENTRAL OFFICE INITIAL SPLITTER DEPLOYMENT
Florida

Beach Park
Bradenton Bay
Bradenton Main
Brandon
Carrollwood
Clearwater
Countryside
Dunedin
Feathersound
Gandy
Highlands
Hyde Park
Lakeland Main
Largo
Lealman
New Port Richey
Palma Sola
Pinellas
Sarasota Main
Sarasota Southside
Sarasota Springs
St. Petersburg Main
St. Petersburg South
Sulphur Springs
Sweetwater
Tampa East
Tampa Eax
Tampa Westside
Tarpon Springs
Temple Terrace
University
Wallcraft
Winter Haven

Interim Line Sharing Prices for Florida

		Ordering		Provisioning	
		100% Manual	Semi Mech.	Initial Unit	Add'l Unit
CLEC Owned Splitter					
CLEC Splitter Connection - Initial	NRC	\$32.19	\$22.52	\$53.04	\$47.29
GTE Owned Splitter					
GTE Splitter	MRC	\$3.57			
GTE Splitter Connection - Initial	NRC	\$32.19	\$22.52	\$67.46	\$59.80
Loop Conditioning	No charge for loops 12,000 feet or less. For loops more than 12,000 feet, the following charges shall apply:				
	Bridge Taps		\$318.71		
	Load Coils		\$249.91		
	Bridge Taps/Load Coils		\$568.62		

INTERCONNECTION, RESALE AND UNBUNDLING AGREEMENT

BETWEEN

GTE FLORIDA INCORPORATED

AND

COVAD COMMUNICATIONS COMPANY

Global Searches

**** =Full Name of non-GTE party **IN ALL CAPS**

*** = Full Name of non-GTE party

**CLEC =Acronym of non-GTE party

_____ =Blanks for addresses, names, etc.

TABLE OF CONTENTS

ARTICLE I
SCOPE AND INTENT OF AGREEMENT I-1

ARTICLE II
DEFINITIONS II-1

1. General Definitions II-1

 1.1 **Access Service Request (ASR)** II-1

 1.2 **Act** II-1

 1.3 **Affiliate** II-1

 1.4 **Answer Supervision** II-1

 1.5 **Applicable Law** II-1

 1.6 **As-is Transfer (AIT)** II-1

 1.7 **Automatic Location Identification/Data Management System (ALI/DMS)** II-1

 1.8 **Automated Message Accounting (AMA)** II-1

 1.9 **Automatic Number Identification (ANI)** II-1

 1.10 **Bellcore** II-1

 1.11 **Bill-and-Keep Arrangement** II-2

 1.12 **Bona Fide Request (BFR)** II-2

 1.13 **Business Day** II-2

 1.14 **Central Office Switch** II-2

 1.15 **Centralized Message Distribution System (CMDS)** II-2

 1.16 **CLLI Codes** II-2

 1.17 **Commission** II-2

 1.18 **Common Channel Signaling (CCS)** II-2

 1.19 **Competitive Local Exchange Carrier (CLEC)** II-2

 1.20 **Compliance** II-2

 1.21 **Conversation Time** II-2

 1.22 **Currently Available** II-3

 1.23 **Customer** II-3

 1.24 **Customer Service Record Search** II-3

 1.25 **Dedicated Transport** II-3

 1.26 **Disconnect Supervision** II-3

 1.27 **DS-1** II-3

 1.28 **DS-3** II-3

 1.29 **Electronic File Transfer** II-3

 1.30 **E-911 Service** II-3

 1.31 **Exchange Message Record (EMR)** II-3

 1.32 **Exchange Service** II-3

 1.33 **Expanded Interconnection Service (EIS)** II-3

 1.34 **Facility** II-4

 1.35 **FCC** II-4

 1.36 **Generator** II-4

 1.37 **GTOC** II-4

 1.38 **Guide** II-4

 1.39 **Hazardous Chemical** II-4

 1.40 **Hazardous Waste** II-4

 1.41 **Imminent Danger** II-4

1.42	Incumbent Local Exchange Carrier (ILEC)	II-4
1.43	Initial Service Order	II-4
1.44	Interconnection Facility	II-4
1.45	Interconnection Point (IP)	II-4
1.46	Interexchange Carrier (IXC)	II-4
1.47	Interim Number Portability (INP)	II-5
1.48	Internetwork Facilities	II-5
1.49	ISDN User Part (ISUP)	II-5
1.50	Line Information Data Base (LIDB)	II-5
1.51	Line Side	II-5
1.52	Local Access and Transport Area (LATA)	II-5
1.53	Local Exchange Carrier (LEC)	II-5
1.54	Local Exchange Routing Guide (LERG)	II-5
1.55	Local Number Portability (LNP)	II-5
1.56	Local Service Request (LSR)	II-5
1.57	Local Traffic	II-5
1.58	Loop Facility Charge	II-6
1.59	Main Distribution Frame (MDF)	II-6
1.60	Meet-Point Billing (MPB)	II-6
1.61	Mid-Span Fiber Meet	II-6
1.62	Multiple Exchange Carrier Access Billing (MECAB)	II-6
1.63	Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface (MECOD)	II-6
1.64	Network Interface Device (NID)	II-6
1.65	911 Service	II-6
1.66	North American Numbering Plan (NANP)	II-6
1.67	Numbering Plan Area (NPA)	II-6
1.68	NXX, NXX Code, Central Office Code or CO Code	II-7
1.69	Owner or Operator	II-7
1.70	Party/Parties	II-7
1.71	Pole Attachment	II-7
1.72	Provider	II-7
1.73	Public Safety Answering Point (PSAP)	II-7
1.74	Rate Center	II-7
1.75	Right-of-way (ROW)	II-7
1.76	Routing Point	II-7
1.77	Service Control Point (SCP)	II-7
1.78	Service Switching Point (SSP)	II-8
1.79	Shared Transport	II-8
1.80	Signaling Point (SP)	II-8
1.81	Signaling System 7 (SS7)	II-8
1.82	Signal Transfer Point (STP)	II-8
1.83	Subsidiary	II-8
1.84	Subsequent Service Order	II-8
1.85	Synchronous Optical Network (SONET)	II-8
1.86	Switched Access Service	II-8
1.87	Telecommunications Services	II-8
1.88	Third Party Contamination	II-8
1.89	Transfer of Service	II-8
1.90	Trunk Side	II-9
1.91	Unbundled Network Element (UNE)	II-9
1.92	Undefined Terms	II-9

1.93	Vertical Features (including CLASS Features)	II-9
1.94	Wire Center	II-9

ARTICLE III

	GENERAL PROVISIONS	III-1
1.	<u>Scope of General Provisions</u>	III-1
2.	<u>Term and Termination</u>	III-1
2.1	<u>Term</u>	III-1
2.2	<u>Post-Termination Arrangements</u>	III-1
2.3	<u>Termination Upon Default</u>	III-1
2.4	<u>Termination Upon Sale</u>	III-1
2.5	<u>Liability upon Termination</u>	III-1
3.	<u>Amendments</u>	III-2
4.	<u>Assignment</u>	III-2
5.	<u>Authority</u>	III-2
6.	<u>Responsibility for Payment</u>	III-2
7.	<u>Billing and Payment</u>	III-2
7.1	<u>Dispute</u>	III-2
7.2	<u>Late Payment Charge</u>	III-2
7.3	<u>Due Date</u>	III-2
7.4	<u>Audits</u>	III-2
8.	<u>Binding Effect</u>	III-3
9.	<u>Capacity Planning and Forecasting</u>	III-3
10.	<u>Compliance with Laws and Regulations</u>	III-3
11.	<u>Confidential Information</u>	III-3
11.1	<u>Identification</u>	III-3
11.2	<u>Handling</u>	III-3
11.3	<u>Exceptions</u>	III-4
11.4	<u>Survival</u>	III-4
12.	<u>Consent</u>	III-4
13.	<u>Fraud</u>	III-4
14.	<u>Reimbursement of Expenses</u>	III-4
15.	<u>Dispute Resolution</u>	III-5
15.1	<u>Alternative to Litigation</u>	III-5
15.2	<u>Negotiations</u>	III-5
15.3	<u>Arbitration</u>	III-5
15.4	<u>Expedited Arbitration Procedures</u>	III-5
15.5	<u>Costs</u>	III-6

15.6	<u>Continuous Service</u>	III-6
16.	<u>Entire Agreement</u>	III-6
17.	<u>Expenses</u>	III-6
18.	<u>Force Maieure</u>	III-6
19.	<u>Good Faith Performance</u>	III-6
20.	<u>Governing Law</u>	III-6
21.	<u>Standard Practices</u>	III-6
22.	<u>Headings</u>	III-7
23.	<u>Independent Contractor Relationship</u>	III-7
24.	<u>Law Enforcement Interface</u>	III-7
25.	<u>Liability and Indemnity</u>	III-7
	25.1 <u>Indemnification</u>	III-7
	25.2 <u>End-User and Content-Related Claims</u>	III-8
	25.3 <u>DISCLAIMER</u>	III-8
	25.4 <u>Limitation of Liability</u>	III-8
	25.5 <u>Intellectual Property</u>	III-8
26.	<u>Multiple Counterparts</u>	III-9
27.	<u>No Third Party Beneficiaries</u>	III-9
28.	<u>Notices</u>	III-9
29.	<u>Protection</u>	III-10
	29.1 <u>Impairment of Service</u>	III-10
	29.2 <u>Resolution</u>	III-10
30.	<u>Publicity</u>	III-10
31.	<u>Regulatory Agency Control</u>	III-10
32.	<u>Changes in Legal Requirements and Subsequent Law</u>	III-10
33.	<u>Effective Date</u>	III-11
34.	<u>Regulatory Matters</u>	III-11
35.	<u>Rule of Construction</u>	III-11
36.	<u>Section References</u>	III-11
37.	<u>Service Standards</u>	III-11

38.	<u>Severability</u>	III-11
39.	<u>Subcontractors</u>	III-12
40.	<u>Intentionally left blank.</u>	III-12
41.	<u>Taxes</u>	III-12
	41.1 <u>Tax</u>	III-12
	41.2 <u>Fees/Regulatory Surcharges</u>	III-12
42.	<u>Trademarks and Trade Names</u>	III-12
43.	<u>Waiver</u>	III-12
44.	<u>Environmental Responsibility</u>	III-13
45.	<u>TBD Prices</u>	III-14
46.	<u>Amendment of Certain Rates</u>	III-15

ARTICLE IV

GENERAL RULES GOVERNING RESOLD SERVICES
AND UNBUNDLED ELEMENTS

		IV-1
1.	<u>General</u>	IV-1
2.	<u>Liability of GTE</u>	IV-1
	2.1 <u>Inapplicability of Tariff Liability</u>	IV-1
	2.2 <u>Covad Tariffs or Contracts</u>	IV-1
	2.3 <u>No Liability for Errors</u>	IV-1
3.	<u>Unauthorized Changes</u>	IV-1
	3.1 <u>Procedures</u>	IV-1
4.	<u>Impact of Payment of Charges on Service</u>	IV-2
5.	<u>Unlawful Use of Service</u>	IV-2
6.	<u>Timing of Messages</u>	IV-3
7.	<u>Procedures For Preordering, Ordering, Provisioning, Etc.</u>	IV-3
8.	<u>Letter of Authorization</u>	IV-3
9.	<u>Customer Contacts</u>	IV-3

ARTICLE V

INTERCONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

		V-1
1.	<u>Services Covered by This Article</u>	V-1
	1.1 <u>Types of Services</u>	V-1
2.	<u>Billing and Rates</u>	V-1

2.1	<u>Rates and Charges</u>	V-1
2.2	<u>Billing</u>	V-1
2.3	<u>Billing Specifications</u>	V-1
3.	<u>Transport and Termination of Traffic</u>	V-1
3.1	<u>Traffic to be Exchanged</u>	V-1
3.2	<u>Compensation For Exchange Of Traffic</u>	V-2
3.3	<u>Tandem Switching Traffic</u>	V-3
3.4	<u>Inter-Tandem Switching</u>	V-3
4.	<u>Direct Network Interconnection</u>	V-3
4.1	<u>Network Interconnection Architecture</u>	V-3
4.2	<u>Compensation</u>	V-4
4.3	<u>Trunking Requirements</u>	V-5
4.4	<u>Trunk Forecasting</u>	V-6
4.5	<u>Trunk Facility Under Utilization</u>	V-7
4.6	<u>Network Redesigns Initiated by GTE</u>	V-7
4.7	<u>Interconnection Calling and Called Scopes for the Access Tandem Interconnection and the End Office Interconnection</u>	V-7
5.	<u>Indirect Network Interconnection</u>	V-7
6.	<u>Number Resources</u>	V-7
6.1	<u>Number Assignment</u>	V-7
6.2	<u>Rate Centers</u>	V-7
6.3	<u>Routing Points</u>	V-8
6.4	<u>Code and Numbers Administration</u>	V-8
6.5	<u>Programming Switches</u>	V-8
7.	<u>Number Portability (NP)</u>	V-8
7.1	<u>Interim Number Portability (INP)</u>	V-8
7.2	<u>Local Number Portability (LNP)</u>	V-8
8.	<u>Meet-Point Billing (MPB)</u>	V-9
8.1	<u>Meet-Point Arrangements</u>	V-9
8.2	<u>Compensation</u>	V-9
9.	<u>Common Channel Signaling</u>	V-10
9.1	<u>Service Description</u>	V-10
9.2	<u>Signaling Parameters</u>	V-10
9.3	<u>Privacy Indicators</u>	V-10
9.4	<u>Connection Through Signal Transfer Point (STP)</u>	V-10
9.5	<u>Third Party Signaling Providers</u>	V-10
9.6	<u>Multi-Frequency Signaling</u>	V-10
10.	<u>Network Outages</u>	V-10
ARTICLE VI		
	<u>RESALE OF SERVICES</u>	VI-1
1.	<u>General</u>	VI-1
2.	<u>Terms and Conditions</u>	VI-1

2.1	<u>Restrictions on Resale</u>	VI-1
2.2	<u>Interim Universal Service Support Charge for Resale Services</u>	VI-1
2.3	<u>Restrictions on Discount of Retail Services</u>	VI-2
2.4	<u>Resale to Other Carriers</u>	VI-2
3.	<u>Ordering and Billing</u>	VI-2
3.1	<u>Local Service Request</u>	VI-2
3.2	<u>Certificate of Operating Authority</u>	VI-2
3.3	<u>Directory Assistance Listings</u>	VI-2
3.4	<u>Nonrecurring Charges</u>	VI-2
3.5	<u>Transfers Between Covad and Another Reseller of GTE Services</u>	VI-3
3.6	<u>Local Calling Detail</u>	VI-3
3.7	<u>Procedures</u>	VI-3
3.8	<u>LIDB</u>	VI-3
3.9	<u>Originating Line Number Screening (OLNS)</u>	VI-3
4.	<u>Maintenance</u>	VI-3
4.1	<u>Maintenance, Testing and Repair</u>	VI-3
4.2	<u>Specifics and Procedures for Maintenance</u>	VI-3
5.	<u>Services Available for Resale</u>	VI-3
5.1	<u>Description of Local Exchange Services Available for Resale</u>	VI-3
5.2	<u>List of Services Available for Resale</u>	VI-4
5.3	<u>Rates</u>	VI-4
5.4	<u>Grandfathered Services</u>	VI-4
5.5	<u>Access</u>	VI-5
5.6	<u>Operator Services (OS) and Directory Assistance (DA)</u>	VI-5
 ARTICLE VII		
	<u>UNBUNDLED NETWORK ELEMENTS</u>	VII-1
1.	<u>General</u>	VII-2
2.	<u>Unbundled Network Elements</u>	VII-2
2.1	<u>Categories</u>	VII-2
2.2	<u>Prices</u>	VII-2
2.3	<u>Connection to Unbundled Elements</u>	VII-3
2.4	<u>Service Quality</u>	VII-3
2.5	<u>Provisioning and Support</u>	VII-3
3.	<u>Network Interface Device</u>	VII-3
3.1	<u>Direct Connection</u>	VII-3
3.2	<u>NID to NID Connection</u>	VII-4
3.3	<u>Removal of Cable Pairs</u>	VII-4
3.4	<u>Maintenance</u>	VII-4
3.5	<u>Collocation Requirement</u>	VII-4
4.	<u>Loop Elements</u>	VII-4
4.1	<u>Service Description</u>	VII-4
4.2	<u>Categories of Loops</u>	VII-5
4.3	<u>Conditioned Analog Loops</u>	VII-5
4.4	<u>Loop Testing and Maintenance</u>	VII-6
4.5	<u>Pair Gain Technology</u>	VII-6

4.6	<u>Unbundled Loop Facility Qualification</u>	VII-7
4.7	<u>Intentionally left blank</u>	VII-7
4.8	<u>Subloops</u>	VII-7
5.	<u>Port and Local Switching Elements</u>	VII-8
5.1	<u>Port</u>	VII-8
5.2	<u>Ports Available as UNEs</u>	VII-8
5.3	<u>Port Prices</u>	VII-8
5.4	<u>Local Switching</u>	VII-8
5.5	<u>Compliance</u>	VII-9
5.6	<u>Shared Transport</u>	VII-9
6.	<u>Dedicated Transport</u>	VII-10
7.	<u>SS7 Transport and Signaling</u>	VII-10
8.	<u>LIDB Services</u>	VII-10
9.	<u>Database 800-Type Services</u>	VII-10
10.	<u>Operator Services (OS) and Directory Assistance (DA)</u>	VII-11
11.	<u>Customized Routing</u>	VII-11
12.	<u>Advanced Intelligent Network Access (AIN)</u>	VII-12
13.	<u>Directory Assistance Listing</u>	VII-12
14.	<u>Operational Support Systems (OSS)</u>	VII-12
ARTICLE VIII		
	<u>ADDITIONAL SERVICES AND COORDINATED SERVICE ARRANGEMENTS</u>	VIII-1
1.	<u>Bona Fide Request Process</u>	VIII-1
1.1	<u>Intent</u>	VIII-1
1.2	<u>Process</u>	VIII-1
2.	<u>Transfer of Service Announcements</u>	VIII-1
3.	<u>Misdirected Calls</u>	VIII-2
4.	<u>911/E-911 Arrangements</u>	VIII-2
4.1	<u>Description of Service</u>	VIII-2
4.2	<u>Transport</u>	VIII-2
4.3	<u>Cooperation and Level of Performance</u>	VIII-2
4.4	<u>Basic 911 and E-911 General Requirements</u>	VIII-2
4.5	<u>Compensation</u>	VIII-7
4.6	<u>Liability</u>	VIII-8
5.	<u>Information Services Traffic</u>	VIII-8
5.1	<u>Routing</u>	VIII-8
5.2	<u>Billing and Collection and Information Service Provider (ISP) Remuneration</u>	VIII-8

5.3	<u>900-976 Call Blocking</u>	VIII-9
5.4	<u>Miscellaneous</u>	VIII-9
6.	<u>Telephone Relay Service</u>	VIII-9
7.	<u>Directory Assistance (DA) and Operator Services (OS)</u>	VIII-9
7.1	<u>Directory Assistance Calls</u>	VIII-9
7.2	<u>Operator Services Calls</u>	VIII-9
8.	<u>Directory Assistance Listings Information</u>	VIII-9
9.	<u>Directory Listings and Directory Distribution</u>	VIII-10
9.1	<u>Listings</u>	VIII-11
9.2	<u>Distribution</u>	VIII-11
10.	<u>Busy Line Verification and Busy Line Verification Interrupt</u>	VIII-11
11.	<u>Street Address Guide (SAG)</u>	VIII-11
12.	<u>Dialing Format Changes</u>	VIII-11
ARTICLE IX		
	<u>COLLOCATION</u>	IX-1
1.	<u>Physical Collocation</u>	IX-1
1.1	<u>Space Planning</u>	IX-1
1.2	<u>Connection to Customer Loops and Ports</u>	IX-2
1.3	<u>Connection to Other Collocated Carriers</u>	IX-2
1.4	<u>Choice of Vendor</u>	IX-2
1.5	<u>Monitoring</u>	IX-2
1.6	<u>Phone Service</u>	IX-2
1.7	<u>Intraoffice Diversity</u>	IX-2
1.8	<u>Covad Proprietary Information</u>	IX-2
1.9	<u>Notification of Modifications</u>	IX-2
1.10	<u>Drawings</u>	IX-3
1.11	<u>Construction of Space</u>	IX-3
1.12	<u>Connection Equipment</u>	IX-4
1.13	<u>Access to Covad Collocation Space</u>	IX-4
1.14	<u>Subleasing Space</u>	IX-5
2.	<u>Virtual Collocation</u>	IX-5
2.1	<u>Existing Virtual Collocation</u>	IX-5
2.2	<u>Vendors</u>	IX-5
2.3	<u>Inspection</u>	IX-5
ARTICLE X		
	<u>ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS-OF-WAY</u>	X-1
	<u>SIGNATURE PAGE</u>	X-2
APPENDIX A		
	<u>RATES AND CHARGES FOR TRANSPORT AND TERMINATION OF TRAFFIC</u>	A-1

APPENDIX B	
RATES AND CHARGES FOR INTERIM NUMBER PORTABILITY USING RCF	B-1
APPENDIX C	
SERVICES AVAILABLE FOR RESALE	C-1
APPENDIX D	
PRICES FOR UNBUNDLED NETWORK ELEMENTS	D-2
APPENDIX E	
RATES AND CHARGES FOR 911/E-911 ARRANGEMENTS	E-1
APPENDIX F	
SERVICE ORDERING, PROVISIONING, BILLING AND MAINTENANCE	F-1
APPENDIX G	
SS7 SERVICES	G-1
APPENDIX H	
POLE ATTACHMENT AGREEMENT	H-1
APPENDIX I	
CONDUIT OCCUPANCY AGREEMENT	I-1
APPENDIX J	
COMPENSATION FOR EXCHANGE OF TRAFFIC USING UNBUNDLED ELEMENTS	
.....	J-1
APPENDIX 46A	
AT&T TERMS - FLORIDA	46A-1
APPENDIX 46B	
GTE TERMS	46B-1

This Interconnection, Resale and Unbundling Agreement (the "Agreement"), is made effective as of _____, 199__, by and between GTE Florida Incorporated, with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and DIECA Communications, Inc. d/b/a Covad Communications Company, in its capacity as a certified Provider of local dial-tone service ("Covad"), with its address for this Agreement at 2330 Central Expressway, Santa Clara, California 95050 (GTE and Covad being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Florida only (the "State").

WHEREAS, interconnection between competing Local Exchange Carriers (LECs) is necessary and desirable for the mutual exchange and termination of traffic originating on each LEC's network; and

WHEREAS, the Parties desire to exchange such traffic and related signaling in a technically and economically efficient manner at defined and mutually agreed upon interconnection points; and

WHEREAS, the Parties wish to enter into an agreement to interconnect their respective telecommunications networks on terms that are fair and equitable to both Parties; and

WHEREAS, Section 251 of the Telecommunications Act of 1996 (the "Act") imposes specific obligations on LECs with respect to the interconnection of their networks, resale of their telecommunications services, access to their poles, ducts, conduits and rights-of-way and, in certain cases, the offering of certain Unbundled Network Elements (UNEs) and physical collocation of equipment in LEC premises;

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

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

ARTICLE I
SCOPE AND INTENT OF AGREEMENT

Pursuant to this Agreement, the Parties will extend certain arrangements to one another within each area in which they both operate within the State for purposes of interconnection and the exchange of traffic between their respective end-user customers, and reciprocal access to poles, ducts, conduits and rights-of-way. This Agreement also governs the purchase by Covad of certain telecommunications services provided by GTE in its franchise areas for resale by Covad, the purchase by Covad of certain Unbundled Network Elements from GTE, and the terms and conditions of the collocation of certain equipment of Covad in the premises of GTE. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. This Agreement will be submitted to the Florida Public Service Commission (the "Commission") for approval. The Parties agree that their entrance into this Agreement is without prejudice to and does not waive any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements and/or matters related to GTE's cost recovery covered in this Agreement. Covad agrees to negotiate nondiscriminatory terms and conditions with GTE based on this Agreement. GTE's execution of this Agreement is not a concession or waiver in any manner concerning its position that certain of the rates, terms and conditions contained herein are unlawful, illegal and improper.

The services and facilities to be provided to Covad by GTE in satisfaction of this Agreement may be provided pursuant to GTE tariffs and then current practices. Where this Agreement provides that the rates, terms and conditions applicable to certain services and facilities are governed by tariff, then the modification of such tariff terms will automatically be applicable to such services and facilities. Should any services and facilities to be provided to Covad by GTE in satisfaction of this Agreement be modified by an immediately effective Order, including any modifications resulting from Commission proceedings, federal court review or other judicial action, and, unless otherwise specified herein, such modifications will be deemed to automatically supersede any rates and terms and conditions of this Agreement. The Parties shall cooperate with one another for the purpose of incorporating required modifications into this Agreement.

ARTICLE II
DEFINITIONS

1. General Definitions. Except as otherwise specified herein, the following definitions shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in this Article II and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.
 - 1.1 **Access Service Request (ASR)** - an industry standard form, which contains data elements and usage rules used by the Parties to add, establish, change or disconnect services or trunks for the purposes of Interconnection.
 - 1.2 **Act** - the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.
 - 1.3 **Affiliate** - a person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with a Party.
 - 1.4 **Answer Supervision** - an off-hook supervisory signal.
 - 1.5 **Applicable Law** - all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, and approvals of any Governmental Authority, which apply or relate to the subject matter of this Agreement.
 - 1.6 **As-Is Transfer (AIT)** - the transfer of all telecommunications services and features available for resale, that are currently being provided for a specific account, without the requirements of a specific enumeration of the services and features on the Local Service Request (LSR).
 - 1.7 **Automatic Location Identification/Data Management System (ALI/DMS)** - the emergency services (E-911/911) database containing customer location information (including name, address, telephone number, and sometimes special information from the local service provider) used to process subscriber access records into Automatic Location Identification (ALI) records. From this database, records are forwarded to GTE's ALI Gateway for downloading by local ALI database systems to be available for retrieval in response to Automatic Number Identification (ANI) from a 9-1-1 call. Also, from this database, GTE will upload to its selective routers the selective router ALI (SR/ALI) which is used to determine to which Public Safety Answering Point (PSAP) to route the call.
 - 1.8 **Automated Message Accounting (AMA)** - the structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Bellcore as GR-1100-CORE which defines the industry standard for message recording.
 - 1.9 **Automatic Number Identification (ANI)** - the number transmitted through the network identifying the calling party.
 - 1.10 **Bellcore** - an organization owned jointly by the Bell regional holding companies that may in the future be owned partially or totally by other persons. The organization conducts

research and development projects for its owners, including development of new telecommunications services. Bellcore also provides certain centralized technical and management services for the regional holding companies and also provides generic requirements for the telecommunications industry for products, services and technologies.

- 1.11 **Bill-and-Keep Arrangement** - a compensation arrangement whereby the Parties do not render bills to each other for the termination of Local Traffic specified in this Agreement and whereby the Parties terminate local exchange traffic originating from end-users served by the networks of the other Party without explicit charging among or between said carriers for such traffic exchange.
- 1.12 **Bona Fide Request (BFR)** - process intended to be used when requesting customized Service Orders for certain services, features, capabilities or functionality defined and agreed upon by the Parties as services to be ordered as BFRs.
- 1.13 **Business Day** - Monday through Friday, except for holidays on which the U.S. mail is not delivered.
- 1.14 **Central Office Switch** - a switch used to provide telecommunications services including (1) End Office Switches which are Class 5 switches from which end-user Exchange Services are directly connected and offered, and (2) Tandem Office Switches which are Class 4 switches which are used to connect and switch trunk circuits between and among central office switches. Central office switches may be employed as combination end office/tandem office switches (combination Class 5/Class 4).
- 1.15 **Centralized Message Distribution System (CMDS)** - the billing record and clearing house transport system that the Regional Bell Operating Companies (RBOCs) and other incumbent LECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System (CABS) records.
- 1.16 **CLLI Codes** - Common Language Location Identifier Codes.
- 1.17 **Commission** - the Florida Public Service Commission.
- 1.18 **Common Channel Signaling (CCS)** - a high-speed specialized packet-switched communications network that is separate (out-of-band) from the public packet-switched and message networks. CCS carries addressed signaling messages for individual trunk circuits and/or database-related services between Signaling Points in the CCS network using SS7 signaling protocol.
- 1.19 **Competitive Local Exchange Carrier (CLEC)** - any company or person authorized to provide local exchange services in competition with an ILEC.
- 1.20 **Compliance** - environmental and safety laws and regulations based upon a federal regulatory framework, with certain responsibilities delegated to the States. An environmental/safety compliance program may include review of applicable laws/regulations, development of written procedures, training of employees and auditing.
- 1.21 **Conversation Time** - the time that both Parties' equipment is used for a completed call, measured from the receipt of Answer Supervision to the receipt of Disconnect Supervision.

- 1.22 **Currently Available** - existing as part of GTE's network at the time of the requested order or service and does not include any service, feature, function or capability that GTE either does not provide to itself or to its own end users, or does not have the capability to provide.
- 1.23 **Customer** - GTE or Covad, depending on the context and which Party is receiving the service from the other Party.
- 1.24 **Customer Service Record Search** - applied to LSR when CLEC requests a customer service record search prior to account conversion from GTE or from another CLEC. Search typically is for basic account information, listing/directory information, service and equipment listing, and billing information. Applied on a per requested loop and/or port basis.
- 1.25 **Dedicated Transport** - an Unbundled Network Element that is purchased for the purpose of transporting Telecommunication Services between designated Serving Wire Centers (SWC). Dedicated Transport may extend between two GTE SWCs (Interoffice Dedicated Transport or IDT) or may extend from the GTE SWC to the CLEC premise (CLEC Dedicated Transport or CDT). CDT remains within the exchange boundaries of the SWC, while IDT traverses exchange boundaries.
- 1.26 **Disconnect Supervision** - an on-hook supervisory signal end at the completion of a call.
- 1.27 **DS-1** - a service carried at digital signal rate of 1.544 Mbps.
- 1.28 **DS-3** - a service carried at digital signal rate of 44.736 Mbps.
- 1.29 **Electronic File Transfer** - a system or process which utilizes an electronic format and protocol to send/receive data files.
- 1.30 **E-911 Service** - a method of routing 911 calls to a Public Service Answering Point that uses a customer location database to determine the location to which a call should be routed. E-9-1-1 service includes the forwarding of the caller's Automatic Number Identification (ANI) to the PSAP where the ANI is used to retrieve and display the Automatic Location Identification (ALI) on a terminal screen at the answering Attendant's position. It usually includes selective routing.
- 1.31 **Exchange Message Record (EMR)** - an industry standard record used to exchange telecommunications message information among CLECs for billable, non-billable, sample, settlement and study data. EMR format is defined in BR-010-200-010 CRIS Exchange Message Record, published by Bellcore.
- 1.32 **Exchange Service** - all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the Public Switched Telecommunications Network (PSTN), and which enable such end users to place or receive calls to all other stations on the PSTN.
- 1.33 **Expanded Interconnection Service (EIS)** - a service that provides interconnecting carriers with the capability to terminate basic fiber optic transmission facilities, including optical terminating equipment and multiplexers, at GTE's wire centers and access tandems and interconnect those facilities with the facilities of GTE. Microwave is available on a case-by-case basis where feasible.

- 1.34 **Facility** - all buildings, equipment, structures and other items located on a single site or contiguous or adjacent sites owned or operated by the same persons or person as used in Article III, Section 44.
- 1.35 **FCC** - the Federal Communications Commission.
- 1.36 **Generator** - under the Resource Conservation Recovery Act (RCRA), the person whose act produces a hazardous waste (40 CFR 261) or whose act first causes a hazardous waste to become subject to regulation. The generator is legally responsible for the proper management and disposal of hazardous wastes in accordance with regulations (see reference in Article III, Section 44).
- 1.37 **GTOC** - GTE Telephone Operating Company.
- 1.38 **Guide** - the GTE Open Market Transition Order/Processing Guide, LSR Guide, and Products and Services Guide which contain GTE's operating procedures for ordering, provisioning, trouble reporting and repair for resold services and unbundled elements and GTE's CLEC Interconnection Guide which provides guidelines for obtaining interconnection of GTE's Switched Network with the networks of all certified CLECs for reciprocal exchange of traffic. Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance shall be governed by the Guide which may be amended from time to time by GTE as needed.
- 1.39 **Hazardous Chemical** - as defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard.
- 1.40 **Hazardous Waste** - as described in Resource Conservation Recovery Act (RCRA), a solid waste(s) which may cause, or significantly contribute to an increase in mortality or illness or pose a substantial hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise managed because of its quantity, concentration or physical or chemical characteristics.
- 1.41 **Imminent Danger** - as described in the Occupational Safety and Health Act and expanded for environmental matters, any conditions or practices at a facility which are such that a danger exists which could reasonably be expected to cause death or serious harm or significant damage to the environment or natural resources.
- 1.42 **Incumbent Local Exchange Carrier (ILEC)** - any local exchange carrier that was as of February 8, 1996, deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. §69.601(b) of the FCC's regulations.
- 1.43 **Initial Service Order** - a charge applied to each LSR of Unbundled Loops and/or Ports with the exception of Subsequent Service Order changes to existing CLEC accounts.
- 1.44 **Interconnection Facility** - see "Internetwork Facilities".
- 1.45 **Interconnection Point (IP)** - the physical point on the network where the two parties interconnect. The IP is the demarcation point between ownership of the transmission facility.
- 1.46 **Interexchange Carrier (IXC)** - a telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and are

authorized by the State to provide inter- and/or intraLATA long distance communications services within the State.

- 1.47 **Interim Number Portability (INP)** - the delivery of Local Number Portability (LNP) capabilities, from a customer standpoint in terms of call completion, with as little impairment of functioning, quality, reliability, and convenience as possible and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.
- 1.48 **Internetwork Facilities** - the physical connection of separate pieces of equipment, transmission facilities, etc., within, between and among networks, for the transmission and routing of exchange service and exchange access.
- 1.49 **ISDN User Part (ISUP)** - a part of the SS7 protocol that defines call setup messages and call takedown messages.
- 1.50 **Line Information Data Base (LIDB)** - one or all, as the context may require, of the Line Information databases owned individually by GTE and other entities which provide, among other things, calling card validation functionality for telephone line number cards issued by GTE and other entities. A LIDB also contains validation data for collect and third number-billed calls; i.e., Billed Number Screening.
- 1.51 **Line Side** - refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to an ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone set.
- 1.52 **Local Access and Transport Area (LATA)** - a geographic area for the provision and administration of communications service; i.e., intraLATA or interLATA.
- 1.53 **Local Exchange Carrier (LEC)** - any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this Agreement.
- 1.54 **Local Exchange Routing Guide (LERG)** - the Bellcore reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designation.
- 1.55 **Local Number Portability (LNP)** - the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.
- 1.56 **Local Service Request (LSR)** - the industry standard form, which contains data elements and usage rules, used by the Parties to establish, add, change or disconnect resold services and unbundled elements for the purposes of competitive local services.
- 1.57 **Local Traffic** - traffic that is originated by an end user of one Party and terminates to the end user of the other Party within GTE's then current local serving area, including mandatory local calling scope arrangements. A mandatory local calling scope arrangement is an arrangement that provides end users a local calling scope, Extended Area Service (EAS), beyond their basic exchange serving area. Local Traffic does not include optional local calling scopes (i.e., optional rate packages that permit the end user to choose a local calling scope beyond their basic exchange serving area for an additional

fee), referred to hereafter as "optional EAS". Local Traffic excludes Information Service Provider (ISP) traffic (e.g., Internet, 900-976, etc.).

- 1.58 **Loop Facility Charge** - a charge applied to LSRs when field work is required for establishment of unbundled loop service. Applied on a per LSR basis.
- 1.59 **Main Distribution Frame (MDF)** - the distribution frame used to interconnect cable pairs and line trunk equipment terminating on a switching system.
- 1.60 **Meet-Point Billing (MPB)** - refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by the effective access tariffs.
- 1.61 **Mid-Span Fiber Meet** - an Interconnection architecture whereby two carriers' fiber transmission facilities meet at a mutually agreed-upon IP.
- 1.62 **Multiple Exchange Carrier Access Billing (MECAB)** - refers to the document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- 1.63 **Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface (MECOD)** - a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR-STIS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- 1.64 **Network Interface Device (NID)** - the point of demarcation between the end user's inside wiring and GTE's facilities.
- 1.65 **911 Service** - a universal telephone number which gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.
- 1.66 **North American Numbering Plan (NANP)** - the system of telephone numbering employed in the United States, Canada, and Caribbean countries that employ NPA 809.
- 1.67 **Numbering Plan Area (NPA)** - also sometimes referred to as an area code, is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided

across multiple geographic NPA areas. 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

- 1.68 **NXX, NXX Code, Central Office Code or CO Code** - the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- 1.69 **Owner or Operator** - as used in OSHA regulations, owner is the legal entity, including a lessee, which exercises control over management and record keeping functions relating to a building or facility. As used in the Resource Conservation and Recovery Act (RCRA), operator means the person responsible for the overall (or part of the) operations of a facility (see reference in Article III, Section 44).
- 1.70 **Party/Parties** - GTE and/or Covad.
- 1.71 **Pole Attachment** - refers to the definition set forth in Article X and Appendix H of this Agreement.
- 1.72 **Provider** - GTE or Covad depending on the context and which Party is providing the service to the other Party.
- 1.73 **Public Safety Answering Point (PSAP)** - an answering location for 9-1-1 calls originating in a given area. A PSAP may be designated as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; Secondary PSAPs receive calls on a transfer basis only, and generally serve as a centralized answering location for a particular type of emergency call. PSAPs are staffed by employees of Emergency Response Agencies (ERAs) such as police, fire or emergency medical agencies or by employees of a common bureau serving a group of such entities.
- 1.74 **Rate Center** - the specific geographic point and corresponding geographic area that are associated with one or more particular NPA-NXX Codes that have been assigned to a LEC for its provision of Exchange Services. The geographic point is identified by a specific Vertical and Horizontal (V&H) coordinate that is used to calculate distance-sensitive end user traffic to/from the particular NPA-NXXs associated with the specific Rate Center.
- 1.75 **Right-of-way (ROW)** - the right to use the land or other property of another party to place poles, conduits, cables, other structures and equipment, or to provide passage to access such structures and equipment. A ROW may run under, on, or above public or private property (including air space above public or private property) and may include the right to use discrete space in buildings, building complexes, or other locations.
- 1.76 **Routing Point** - denotes a location that a LEC has designated on its network as the homing (routing) point for traffic that terminates to Exchange Services provided by the LEC that bear a certain NPA-NXX designation. The Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services. Pursuant to Bellcore Practice BR795-100-100, the Routing Point may be an end office location, or a "LEC Consortium Point of Interconnection." The Routing Point must be in the same LATA as the associated NPA-NXX.
- 1.77 **Service Control Point (SCP)** - the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a

real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

- 1.78 **Service Switching Point (SSP)** - a Signaling Point that can launch queries to databases and receive/interpret responses used to provide specific customer services.
- 1.79 **Shared Transport** - the physical interoffice facility not dedicated to any one customer, that is used to transport a call between switching offices. A central office switch translates the end user dialed digits and routes the call over a Common Transport Trunk Group that rides interoffice transmission facilities. These trunk groups and the associated interoffice transmission facilities are accessible by any end user (GTE end user or Covad end user when Covad has purchased unbundled local switching), and are referred to as "shared transport facilities".
- 1.80 **Signaling Point (SP)** - a node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.
- 1.81 **Signaling System 7 (SS7)** - the signaling protocol, Version 7, of the CCS network, based upon American National Standards Institute (ANSI) standards.
- 1.82 **Signal Transfer Point (STP)** - a packet switch in the CCS network that is used to route signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services. GTE's network includes mated pairs of local and regional STPs. STPs are provided in pairs for redundancy. GTE STPs conform to ANSI T1.111-8 standards.
- 1.83 **Subsidiary** - a corporation or other legal entity that is majority owned by a Party.
- 1.84 **Subsequent Service Order** - applied to LSRs requesting a service change to an existing unbundled account (no CLEC transfer). For disconnect-only LSRs, no NRC will be applied.
- 1.85 **Synchronous Optical Network (SONET)** - synchronous electrical (STS) or optical channel (OC) connections between LECs.
- 1.86 **Switched Access Service** - the offering of facilities for the purpose of the origination or termination of traffic to or from Exchange Service customers in a given area pursuant to a switched access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group C, Feature Group D, 800 access and 900 access services.
- 1.87 **Telecommunications Services** - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.88 **Third Party Contamination** - environmental pollution that is not generated by the LEC or Covad but results from off-site activities impacting a facility.
- 1.89 **Transfer of Service** - a charge applied to LSR's which involve account changes (e.g., CLEC to CLEC transfers, DA & CPE billing changes on Unbundled Ports).

- 1.90 **Trunk Side** - refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, to another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.
- 1.91 **Unbundled Network Element (UNE)** - generally a facility or equipment used in the provision of a Telecommunications Service. Specific references to UNEs contained throughout this Agreement shall be to the network elements that are to be unbundled pursuant to Article VII of this Agreement.
- 1.92 **Undefined Terms** - terms that may appear in this Agreement which are not defined. Parties acknowledge and agree that any such terms shall be construed in accordance with customary usage in the telecommunications industry as of the effective date of this Agreement.
- 1.93 **Vertical Features (including CLASS Features)** - vertical services and switch functionalities provided by GTE, including: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- 1.94 **Wire Center** - a building or space within a building that serves as an aggregation point on a LEC's 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.

ARTICLE III
GENERAL PROVISIONS

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

omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

3. Amendments. Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.
4. Assignment. Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.
5. Authority. Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.
6. Responsibility for Payment. GTE may charge Covad and Covad will pay GTE a deposit before GTE is required to perform under this agreement if the CLEC has not established a good payment history with GTE. Such deposit will be calculated based on GTE's estimated two-month charges to Covad using Covad's forecast of resale lines and unbundled loops and ports. Interest will be paid on the deposit in accordance with state requirements for end user deposits.
7. Billing and Payment. Except as provided elsewhere in this Agreement and where applicable, in conformance with Multiple Exchange Carrier Access Billing (MECAB) guidelines and Multiple Exchange Carriers Ordering and Design Guidelines for Access Services-Industry Support Interface (MECOD), Covad and GTE agree to exchange all information to accurately, reliably, and properly order and bill for features, functions and services rendered under this Agreement.
 - 7.1 Dispute. If one Party disputes a billing statement issued by the other Party, the billed Party shall notify Provider in writing regarding the nature and the basis of the dispute within six (6) months of the statement date or the dispute shall be waived. The Parties shall diligently work toward resolution of all billing issues.
 - 7.2 Late Payment Charge. If any undisputed amount due on the billing statement is not received by Provider on the payment due date, Provider may charge, and Customer agrees to pay, at Provider's option, interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable GTE/Contel state access tariffs or the GTOC/GSTC FCC No. 1 tariff, one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.
 - 7.3 Due Date. Payment is due thirty (30) calendar days from the bill date.
 - 7.4 Audits. Either Party may conduct an audit of the other Party's books and records pertaining to the Services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing, data and invoicing in accordance with this Agreement. Any audit shall be performed as follows:
 - (i) following at least thirty (30) Business Days' prior written notice to the audited Party;
 - (ii) subject to the reasonable scheduling requirements and limitations of the audited Party;
 - (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration;
 - (v) in a manner so as not to interfere with the audited Party's business operations; and
 - (vi) in compliance with the audited Party's security rules.

8. Binding Effect. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.
9. Capacity Planning and Forecasting. Within thirty (30) days from the effective date of this Agreement, the Parties agree to have met and developed joint planning and forecasting responsibilities which are applicable to Local Services, including Features, UNEs, Interim Number Portability (INP), Interconnection Services, Collocation, Poles, Conduits and Rights-of-Way (ROW). Such responsibilities shall include but are not limited to the following:
- (a) The Parties will establish periodic reviews of network and technology plans and will notify one another no later than six (6) months in advance of changes that would impact either Party's provision of services.
 - (b) Covad will furnish to GTE information that provides for state-wide annual forecasts of order activity, in-service quantity forecasts, and facility/demand forecasts.
 - (c) The Parties will develop joint forecasting responsibilities for traffic utilization over trunk groups and yearly forecasted trunk quantities.
 - (d) Covad shall notify GTE promptly of changes greater than ten percent (10%) to current forecasts (increase or decrease) that generate a shift in the demand curve for the following forecasting period.
10. Compliance with Laws and Regulations. Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.
11. Confidential Information.
- 11.1 Identification. Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.
- Notwithstanding the foregoing, preorders and all orders for services or UNEs placed by Covad pursuant to this Agreement, and information that would constitute customer proprietary network information of Covad end user customers pursuant to the Act and the rules and regulations of the FCC, as well as recorded usage information with respect to Covad end users, whether disclosed by Covad to GTE or otherwise acquired by GTE in the course of its performance under this Agreement, and where GTE is the North American Numbering Plan (NANP) Number Plan Administrator, Covad information submitted to GTE in connection with such responsibilities shall be deemed Confidential Information of Covad for all purposes under this Agreement whether or not specifically marked or designated as confidential or proprietary.
- 11.2 Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:
- (a) That all Confidential Information shall be and shall remain the exclusive property of the source;

- (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
- (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
- (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
- (e) To return promptly any copies of such Confidential Information to the source at its request; and
- (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.

11.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.

11.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

12. Consent. Where consent, approval, or mutual agreement is required of a Party, it shall not be unreasonably withheld or delayed.

13. Fraud. Covad assumes responsibility for all fraud associated with its end user customers and accounts. GTE shall bear no responsibility for, nor is it required to investigate or make adjustments to Covad's account in cases of fraud.

14. Reimbursement of Expenses. In performing under this Agreement GTE may be required to make expenditures or otherwise incur costs for which GTE is entitled to reimbursement in accordance with applicable law even though such costs or expenses may not be otherwise identified for reimbursement under this Agreement. Notwithstanding the absence of specific provisions in this Agreement requiring Covad to reimburse GTE for such expenditures or costs, GTE may impose such charges upon 45 days prior written notice to Covad.

Should Covad dispute such charges by GTE, Covad may pursue resolution of the dispute pursuant to the alternate dispute resolution terms set forth in Article III, Section 15 herein. In the alternative, Covad may request that GTE seek an order or determination requiring Covad to reimburse GTE for such expenditures or costs from a court, the FCC, or Commission of

appropriate jurisdiction. In the event Covad has disputed such charges, and an arbitrator, court, the FCC or Commission authorizes GTE's recovery of such charges, Covad shall commence payment of such charges retroactive to the effective date of this Agreement.

15. Dispute Resolution.

- 15.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, without waiving the right to seek relief from the Commission or the FCC, and except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the primary remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- 15.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.
- 15.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the Parties may submit the dispute to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- 15.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 15.2 directly and materially affects service to either Party's end user

customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).

- 15.5 Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.
- 15.6 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations (including making payments in accordance with Article IV, Section 4) in accordance with this Agreement.
16. Entire Agreement. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.
17. Expenses. Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.
18. Force Majeure. In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.
19. Good Faith Performance. In the performance of their obligations under this Agreement, the Parties shall act in good faith. In situations in which notice, consent, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be unreasonably delayed, withheld or conditioned.
20. Governing Law. This Agreement shall be governed by and construed in accordance with the Telecommunications Act of 1996, applicable federal and (to the extent not inconsistent therewith) domestic laws of the state where the services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.
21. Standard Practices. The Parties acknowledge that GTE shall be adopting some industry standard practices and/or establishing its own standard practices to various requirements hereunder applicable to the CLEC industry which may be added in the Guide. Covad agrees that GTE may

implement such practices to satisfy any GTE obligations under this Agreement. A copy has been provided to Covad and is incorporated by reference into this Agreement.

22. Headings. The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.
23. Independent Contractor Relationship. The persons provided by each Party shall be solely that Party's employees and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.
24. Law Enforcement Interface.
 - 24.1 Except to the extent not available in connection with GTE's operation of its own business, GTE shall provide seven day a week/twenty-four hour a day assistance to law enforcement persons for emergency traps, assistance involving emergency traces and emergency information retrieval on customer invoked CLASS services.
 - 24.2 GTE agrees to work jointly with Covad in security matters to support law enforcement agency requirements for taps, traces, court orders, etc. Charges for providing such services for Covad customers will be billed to Covad.
 - 24.3 GTE will, in non emergency situations, inform the requesting law enforcement agencies that the end user to be wire tapped, traced, etc. is a Covad Customer and shall refer them to Covad.
 - 24.4 Subsequent to the execution and approval of this Agreement by the Commission, the parties shall establish a separate contract or authorization agreement specific to the Nuisance Call Bureau (NCB) and Security Control Center (SCC) for CLEC procedures which will be in compliance with applicable state and federal laws.
25. Liability and Indemnity.
 - 25.1 Indemnification. Subject to the limitations set forth in Section 25.4 of this Article III, each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the

indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.

- 25.2 End-User and Content-Related Claims. Each Party agrees to release, indemnify, defend, and hold harmless the other Party, its affiliates, and any third-party provider or operator of facilities involved in the provision of services, UNEs or Facilities under this Agreement (collectively, the "Indemnified Party") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by either Party's end users against an Indemnified Party arising from Services, UNEs or Facilities. Each Party further agrees to release, indemnify, defend, and hold harmless the Indemnified Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by any third party against an Indemnified Party arising from or in any way related to actual or alleged defamation, libel, slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person or property arising out of content transmitted by the Indemnified Party or such Party's end users, or any other act or omission of the Indemnified Party or such Party's end users.
- 25.3 DISCLAIMER. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, GTE MAKES NO REPRESENTATIONS OR WARRANTIES TO CUSTOMER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, UNEs OR FACILITIES PROVIDED UNDER THIS AGREEMENT. PROVIDER DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.
- 25.4 Limitation of Liability. Except when damages are caused directly by a Party's willful misconduct, each Party's liability, whether in contract, tort or otherwise, shall be limited to direct damages, which shall not exceed the monthly charges, plus any related costs/expenses GTE may recover, including those under Section 14 above, for the services, UNEs or facilities for the month during which the claim of liability arose. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or any accessories attached thereto, delay, error, or loss of data. Should either Party provide advice, make recommendations, or supply other analysis related to the Services, UNEs or facilities described in this Agreement, this limitation of liability shall apply to provision of such advice, recommendations, and analysis.
- 25.5 Intellectual Property. Nothing in this Agreement shall convey or transfer any Intellectual Property which may be owned by one Party to the other Party. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or

misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.

26. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.
27. No Third Party Beneficiaries. Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other right or privilege.
28. Notices. Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Upon prior immediate oral agreement of the parties' designated recipients identified below, notice may also be provided by facsimile, Internet or electronic messaging system, which shall be effective if sent before 5:00 p.m. on that day, or if sent after 5:00 p.m. it will be effective on the next Business Day following the date sent. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to GTE:

GTE Florida Incorporated
Attention: Assistant Vice President/Associate General Counsel
Business Development & Integration
600 Hidden Ridge - HQE03J43
Irving, TX 75038
Telephone number: 972/718-6361
Facsimile number: 972/718-3403

and

GTE Florida Incorporated
Attn: Director-Wholesale Contract Compliance
Network Services
700 Hidden Ridge - HQW02H20
Irving, TX 75038
Telephone Number: 972/718-5988
Facsimile Number: 972/719-1519

If to Covad:

Covad Communications Company
Attention: Dhruv Khanna, Vice President/General Counsel
2330 Central Expressway
Santa Clara, CA 95050
Telephone number: 408/844-7560
Facsimile number: 408/844-7501
Internet Address: dkhanna@covad.com

and

Covad Communications Company
Attn: Cathy Hemmer, Vice President - Operations

2330 Central Expressway
Santa Clara, CA 95050
Telephone number: 408/844-7450
Facsimile number: 408/844-7501
Internet address: chemmer@covad.com

29. Protection.

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

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

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

31. Regulatory Agency Control. This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the applicable state utility regulatory commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency.

32. Changes in Legal Requirements and Subsequent Law.

32.1 GTE and Covad agree that the terms and conditions of this Agreement were composed in order to effectuate the legal requirements in effect at the time the Agreement was produced. Any modifications to those requirements will be deemed to automatically supersede any terms and conditions of this Agreement. The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority of appropriate jurisdiction. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties shall negotiate to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation. In the event the Parties cannot agree on an amendment within thirty (30) days from the date any such law, rule, regulation or order becomes effective, then the Parties shall resolve their dispute under the applicable Dispute Resolution procedures set forth herein.

- 32.2 In the event GTE is permitted or required to discontinue any Unbundled Network Element provided to Covad pursuant to this Agreement during the term of this Agreement or any extensions thereto, GTE shall provide Covad 30 days advance written notice of such discontinuance, except as may be otherwise provided herein or required by applicable law. This provision will not alter either Party's right to any notification required by applicable law.
33. Effective Date. This Agreement will be effective only upon execution and delivery by both Parties and approval by the Commission in accordance with Section 252 of the Act. If this Agreement or changes or modifications thereto are subject to approval of a regulatory agency, the "effective date" of this Agreement for such purposes will be ten (10) Business Days after such approval or in the event this Agreement is developed in whole or in part through arbitration, sixty (60) Business Days after such approval. Such date (i.e., ten (10) or, if arbitrated, sixty (60) Business Days after the approval) shall become the "effective date" of this Agreement for all purposes.
34. Regulatory Matters. Each Party shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement.
35. Rule of Construction. No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.
36. Section References. Except as otherwise specified, references within an Article of this Agreement to a Section refer to Sections within that same Article.
37. Service Standards. Notwithstanding anything in this Agreement to the contrary, The Parties shall meet any service standard imposed by the FCC or any state regulatory authority which is applicable to the Parties for services which are provided under this Agreement.
- 37.1 The Parties will provide a level of service to each other with respect to Interconnection, Unbundled Network Elements, and Resale ("services") under this Agreement in compliance with the non-discrimination requirements of the Act. GTE will use appropriate statistical tests or performance criterion to include detailed investigation, where required, to verify such non-discriminatory level of service.
- 37.2 At the time of execution of this Agreement GTE will provide Covad with the same service standards to measure quality of service that GTE currently offers to all CLECs. Such service standards are applicable on a national basis. Service standards to measure quality of service are subject to continued evolution within the industry, and, when developed and implemented in GTE systems, GTE will automatically modify existing service standards to reflect these changes. Each Party may provide input to the various telecommunications industry forums defining national standards for methods of quality measurement.
- 37.3 The parties will alert each other to any network events that can result or have resulted in service interruption, blocked calls, and/or changes in network performance.
38. Severability. If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a

reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

39. Subcontractors. Provider may enter into subcontracts with third parties or affiliates for the performance of any of Provider's duties or obligations under this Agreement.
40. Intentionally left blank.
41. Taxes. Any state or local excise, sales, or use taxes (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any sales or use taxes that may be subsequently levied on payments by the other Party by the collecting Party.
- 41.1 Tax - A charge which is statutorily imposed by the state or local jurisdiction and is either (a) imposed on the seller with the seller having the right or responsibility to pass the charge(s) on to the purchaser and the seller is responsible for remitting the charge(s) to the state or local jurisdiction or (b) imposed on the purchaser with the seller having an obligation to collect the charge(s) from the purchaser and remit the charge(s) to the state or local jurisdiction.
- Taxes shall include but not be limited to: federal excise tax, state/local sales and use tax, state/local utility user tax, state/local telecommunication excise tax, state/local gross receipts tax, and local school taxes. Taxes shall not include income, income-like, gross receipts on the revenue of a Provider, or property taxes. Taxes shall not include payroll withholding taxes unless specifically required by statute or ordinance.
- 41.2 Fees/Regulatory Surcharges - A charge imposed by a regulatory authority, other agency, or resulting from a contractual obligation, in which the seller is responsible or required to collect the fee/surcharge from the purchaser and the seller is responsible for remitting the charge to the regulatory authority, other agency, or contracting party.
- Fees/Regulatory Surcharges shall include but not be limited to E-911/911, E311/311, franchise fees, and Commission surcharges.
42. Trademarks and Trade Names. Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.
43. Waiver. The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.

44. Environmental Responsibility.

- 44.1 Covad is responsible for compliance with all laws regarding the handling, use, transport, storage, and disposal of, and for all hazards created by and damages or injuries caused by, any materials brought to or used at the Facility by Covad. In accordance with Section 44.10, Covad will indemnify GTE for all claims, fees, penalties, damages, and causes of action with respect to these materials. No substantial new safety or environmental hazards shall be created or new hazardous substances shall be used at a GTE Facility. Covad must demonstrate adequate training and emergency response capabilities related to materials brought to, used, or existing at the GTE Facility.
- 44.2 Covad, its invitees, agents, employees, and contractors agree to comply with such reasonable environmental or safety practices/procedures, whether or not required by law, as requested by GTE when working at a GTE Facility. The Parties acknowledge and agree that nothing in this Agreement or in any of GTE's practices/procedures constitutes a warranty or representation by GTE that Covad's compliance with GTE's practices/procedures, with this Agreement, or with GTE's directions or recommendations will achieve compliance with any applicable law. Covad is responsible for ensuring that all activities conducted by Covad at the Facility are in accordance with all applicable federal, state, and local laws, regulations, permits, and agency orders, approvals, and authorizations relating to safety, health, and the environment.
- 44.3 GTE and Covad shall provide to each other notice of known and recognized physical hazards or hazardous substances brought to, used, or existing at the GTE Facility. Each Party is required to promptly provide specific notice of conditions or circumstances potentially posing a threat of imminent danger, including, by way of example only, a defective utility pole or significant petroleum contamination in a manhole.
- 44.4 Covad shall obtain and use its own environmental permits, approvals, or identification numbers to the extent that such permits, approvals, or identification numbers are required under applicable laws. If the relevant regulatory authority refuses to issue a separate permit, approval, or identification number to Covad after a complete and proper request by Covad for same, then GTE's permit, approval, or identification number may be used as authorized by law and upon prior approval by GTE. In that case, Covad must comply with all of GTE's environmental, health, and safety practices/procedures relating to the activity in question, including, but not limited to, use of environmental "best management practices (BMP)" and selection criteria for vendors and disposal sites. The Parties acknowledge and agree that nothing in this Agreement, use of GTE's permits, approvals, or identification numbers, or compliance with GTE's practices/procedures constitutes a representation or warranty that Covad's activities will be in compliance with applicable laws, and such compliance or use of GTE's permits, approvals, or identification numbers creates no right of action against GTE.
- 44.5 If Third Party Contamination is discovered at a GTE Facility, the Party uncovering the contamination must timely notify the proper safety or environmental authorities, to the extent that such notification is required by applicable law. If Covad discovers Third Party Contamination, Covad will immediately notify GTE and will consult with GTE prior to making any required notification, unless the time required for prior consultation would preclude Covad from complying with an applicable reporting requirement.
- 44.6 GTE and Covad shall coordinate plans or information required to be submitted to government agencies, such as, by way of example only, emergency response plans and

chemical inventory reporting. If fees are associated with such filings, GTE and Covad must develop a cost sharing procedure.

- 44.7 When conducting operations in any GTE manhole or vault area, Covad shall follow appropriate practices/procedures in evaluating and managing any water, sediment, or other material present in the manhole or vault area so as to ensure compliance with all applicable laws, regulations, permits, and requirements applicable in such circumstances and to ensure safe practices. Covad shall be responsible for obtaining any permit, regulatory approval, or identification number necessary for any of its operations involving the evaluation, collection, discharge, storage, disposal, or other management of water, sediment, or other material present in a GTE manhole or vault area. GTE shall not be responsible for any costs incurred by Covad in meeting its obligations under this Section.
- 44.8 Covad shall provide reasonable and adequate compensation to GTE for any additional or increased costs associated with compliance with any federal, state, or local law, regulation, permit, or agency requirement related to safety, health, or the environment where such additional or increased cost is incurred as a result of providing Covad with interconnection or collocation, including, but not limited to, costs associated with obtaining appropriate permits or agency authorizations or approvals, remediation or response to any release or threatened release of any regulated substance, investigation or testing related, and training or notification requirements.
- 44.9 Activities impacting safety or the environment of a Right of Way (ROW) must be harmonized with the specific agreement and the relationship between GTE and the land owner. In this regard, Covad must comply with any limitations associated with a ROW, including, but not limited to, limitations on equipment access due to environmental conditions (e.g., wetland areas having equipment restrictions).
- 44.10 Notwithstanding Section 24, with respect to environmental responsibility under this Section 44, GTE and Covad shall each indemnify, defend, and hold harmless the other Party from and against any claims (including, without limitation, third-party claims for personal injury or real or personal property damage), judgments, damages (including direct and indirect damage and punitive damages), penalties, fines, forfeitures, cost, liabilities, interest and losses arising from or in connection with (a) the indemnifying Party's negligent or willful misconduct, regardless of form; (b) the violation or alleged violation of any federal, state, or local law, regulation, permit, or agency requirement relating to safety, health, or the environment; or (c) the presence or alleged presence of contamination arising out of the indemnifying Party's acts or omissions concerning its operations at the GTE Facility.
45. TBD Prices. Numerous provisions in this Agreement and its Attachments refer to pricing principles. If a provision references prices in an Attachment and there are no corresponding prices in such Attachment, such price shall be considered "To Be Determined" (TBD). With respect to all TBD prices, prior to Covad ordering any such TBD item, the Parties shall meet and confer to establish a price. If the Parties are unable to reach agreement on a price for such item, an interim price shall be set for such item that is equal to the price for the nearest analogous item for which a price has been established (for example, if there is not an established price for a non-recurring charge (NRC) for a specific UNE, the Parties would use the NRC for the most analogous retail service for which there is an established price). Any interim prices so set shall be subject to modification by any subsequent decision of the Commission. If an interim price is different from the rate subsequently established by the Commission, any underpayment shall be paid by Covad to GTE, and any overpayment shall be refunded by GTE to Covad, within 45 Business Days after the establishment of the price by the Commission.

46. Amendment of Certain Rates. The rates in this Agreement that are specified in Appendix 46A (the "AT&T Terms") were taken from the GTE/AT&T Interconnection, Resale and Unbundling Agreement (the AT&T Agreement) approved by the Commission in Docket No. 960847-TP. The rates not included in this Agreement but referenced in Appendix 46B (the "GTE Terms") were excluded from the AT&T Agreement by the Commission in Docket No. 960847-TP. GTE and Covad agree that if the "AT&T Terms" are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then this Agreement shall be deemed to have been amended accordingly, by modification of the "AT&T Terms" or, as appropriate, the substitution of "GTE Terms" for all stayed and enjoined "AT&T Terms", and such amendments shall be effective retroactive to the Effective Date of this Agreement.

GTE and Covad further agree that the terms and conditions of this Agreement reflect certain requirements of the FCC's First Report and Order in CC Docket No. 96-98. The terms and conditions of this Agreement shall be subject to any and all actions by any court or other governmental authority that invalidate, stay, vacate or otherwise modify the FCC's First Report and Order, in whole or in part ("actions"). To the extent warranted by any such action, the Parties agree that this Agreement shall be deemed to have been modified accordingly as in the first paragraph of this Section 46. The Parties agree to immediately apply any affected terms and conditions, including any in other sections and articles of this Agreement, consistent with such action, and within a reasonable time incorporate such modified terms and conditions in writing into the Agreement. If the "AT&T Terms" are affected by such action and GTE determines they cannot be consistently applied therewith, the "GTE Terms" shall apply. Covad acknowledges that GTE may seek to enforce such action before a commission or court of competent jurisdiction. GTE does not waive any position regarding the illegality or inappropriateness of the FCC's First Report and Order.

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

If the Commission (or any other commission or federal or state court) in reviewing this Agreement pursuant to applicable state or federal laws, including Section 252(e) of the Telecommunications Act of 1996, deletes or modifies in any way this Section 46, then the Parties agree that they will reopen negotiations within ten (10) days after receipt of the final decision making such deletion or modification in order to attempt to craft the new provision that will provide substantially the same protections to GTE and Covad as this Section 46. If the Parties cannot reach agreement on such a provision within twenty (20) calendar days thereafter, the Parties agree that this entire Agreement is void from consideration by the Commission (or any other commission or federal or state court). In such event, each Party shall have 25 days following the close of the 20-day negotiation period within which to file a petition for arbitration before the Commission under Section 252(e) of the Telecommunications Act of 1996 of the issues that remain in dispute under this paragraph.

ARTICLE IV
GENERAL RULES GOVERNING RESOLD SERVICES
AND UNBUNDLED ELEMENTS

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

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

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

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

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

authorization within such time frame, Covad must within three (3) Business Days thereafter:

- (a) notify GTE to change the end user back to the LEC providing service to the end user before the change to Covad was made; and
- (b) provide any end user information and billing records Covad has obtained relating to the end user to the LEC previously serving the end user; and
- (c) notify the end user and GTE that the change back to the previous LEC has been made.

Furthermore, GTE will bill Covad fifty dollars (\$50.00) per affected line to compensate GTE for switching the end user back to the original LEC.

4. Impact of Payment of Charges on Service. Covad is solely responsible for the payment of all charges for all services, facilities and elements furnished under this Agreement, including, but not limited to, calls originated or accepted at its or its end users' service locations. If Covad fails to pay when due any and all charges billed to Covad under this Agreement, including any late payment charges (collectively, "Unpaid Charges"), and any or all such charges remain unpaid more than forty-five (45) Business Days after the bill date of such Unpaid Charges excepting previously disputed charges for which Covad may withhold payment, GTE shall notify Covad in writing that it must pay all Unpaid Charges to GTE within seven (7) Business Days. If Covad disputes the billed charges, it shall, within said seven (7) day period, inform GTE in writing of which portion of the Unpaid Charges it disputes, including the specific details and reasons for the dispute, unless such reasons have been previously provided, and shall immediately pay to GTE all undisputed charges. If Covad and GTE are unable, within thirty (30) Business Days thereafter, to resolve issues related to the disputed charges, then either Covad or GTE may file a request for arbitration under Article III of this Agreement to resolve those issues. Upon resolution of any dispute hereunder, if Covad owes payment it shall make such payment to GTE with any late payment charge under Article III, Section 7.2, from the original payment due date. If Covad owes no payment, but has previously paid GTE such disputed payment, then GTE shall credit such payment including any late payment charges. If Covad fails to pay any undisputed Unpaid Charges, Covad shall, at its sole expense, within five (5) Business Days notify its end users that their service may be disconnected for Covad's failure to pay Unpaid Charges, and that its end users must select a new provider of local exchange services. GTE may discontinue service to Covad upon failure to pay undisputed charges as provided in this Section 4, and shall have no liability to Covad or Covad's end users in the event of such disconnection. If Covad fails to provide such notification or any of Covad's end users fail to select a new provider of services within the applicable time period, GTE may provide local exchange services to Covad's end users under GTE's applicable end user tariff at the then current charges for the services being provided. In this circumstance, otherwise applicable service establishment charges will not apply to Covad's end user, but will be assessed to Covad.
5. Unlawful Use of Service. Services, facilities or unbundled elements provided by GTE pursuant to this Agreement shall not be used by Covad or its end users for any purpose in violation of law. Covad, and not GTE, shall be responsible to ensure that Covad and its end users use of services, facilities or unbundled elements provided hereunder comply at all times with all applicable laws. GTE may refuse to furnish service to Covad or disconnect particular services, facilities or unbundled elements provided under this Agreement to Covad or, as appropriate, Covad's end user when (i) an order is issued by a court of competent jurisdiction finding that probable cause exists to believe that the use made or to be made of the service, facilities or unbundled elements is prohibited by law or (ii) GTE is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by GTE is being used or will be used for the purpose of

transmitting or receiving gambling information in interstate or foreign commerce in violation of law. Termination of service shall take place after reasonable notice is provided to Covad, or as ordered by the court. If facilities have been physically disconnected by law enforcement officials at the premises where located, and if there is not presented to GTE the written finding of a court, then upon request of Covad and agreement to pay restoral of service charges and other applicable service charges, GTE shall promptly restore such service.

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

ARTICLE V
INTERCONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

1. Services Covered by This Article.

1.1 Types of Services. This Article governs the provision of internetwork facilities (i.e., physical interconnection services and facilities), Meet-Point Billing (MPB) by GTE to Covad or by Covad to GTE and the transport and termination and billing of Local, IntraLATA Toll, optional EAS traffic and jointly provided Interexchange Carrier (IXC) access between GTE and Covad. The services and facilities described in this Article shall be referred to in this Article V as the "Services."

2. Billing and Rates.

2.1 Rates and Charges. Customer agrees to pay to Provider the rates and charges for the Services set forth in the applicable appendices to this Agreement. GTE's rates and charges are set forth in Appendix A attached to this Agreement and made a part hereof. Covad's separate rates and charges are also set forth in Appendix A attached hereto and made a part hereof.

2.2 Billing. Provider shall render to Customer a bill for interconnection services on a current basis. Charges for physical facilities and other non-usage sensitive charges shall be billed in advance, except for charges and credits associated with the initial or final bills. Usage sensitive charges, such as charges for termination of Local Traffic, shall be billed in arrears. Covad is required to order trunks pursuant to Section 4.3.3 of this Article. Additional matters relating to ordering, provisioning and billing are included in Appendix F attached to this Agreement and made a part hereof.

2.3 Billing Specifications. The Parties agree that billing requirements and outputs will be consistent with the Bellcore Billing Output Specifications (BOS).

2.3.1 Usage Measurement: Usage measurement for calls shall begin when Answer Supervision or equivalent Signaling System 7 (SS7) message is received from the terminating office and shall end at the time of call disconnect by the calling or called subscriber, whichever occurs first.

2.3.2 Minutes of use (MOU), or fractions thereof, shall not be rounded upward on a per-call basis, but will be accumulated over the billing period. At the end of the billing period, any remaining fraction shall be rounded up to the nearest whole minute to arrive at total billable minutes for each interconnection. MOU shall be collected and measured in minutes, seconds, and tenths of seconds.

3. Transport and Termination of Traffic.

3.1 Traffic to be Exchanged. The Parties shall reciprocally terminate Local, IntraLATA Toll, optional EAS and jointly provided IXC traffic originating on each other's networks utilizing either Direct or Indirect Network Interconnections as provided in Section 4 or Section 5 herein. To this end, the Parties agree that there will be interoperability between their networks. The Parties agree to exchange traffic associated with third party LECs, CLECs and Wireless Service Providers pursuant to the compensation arrangement specified in Section 3.3 herein. In addition, the Parties will notify each other of any anticipated change in traffic to be exchanged (e.g., traffic type, volume).

3.2 Compensation For Exchange Of Traffic.

3.2.1 Mutual Compensation. The Parties shall compensate each other for the exchange of Local Traffic originated by or terminating to the Parties' end user customers in accordance with Section 3.2.2 of this Article. The Parties agree to the initial state level exempt factor representative of the share of traffic exempt from local compensation. This initial exempt factor is set forth in Appendix A. This factor will be updated quarterly in like manner or as the Parties otherwise agree. Once the traffic that is exempt from local compensation can be measured, the actual exempt traffic will be used rather than the above factor. Charges for the transport and termination of optional EAS intraLATA toll and interexchange traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, as appropriate.

3.2.2 Bill-and-Keep. The Parties shall assume that Local Traffic originated by or terminating to the Parties' end user customers is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a traffic study be performed no more frequently than once a quarter. Should such traffic study indicate, in the aggregate, that either Party is terminating more than 60 percent of the Parties' total terminated minutes for Local Traffic, either Party may notify the other that mutual compensation will commence pursuant to the rates set forth in Appendix A of this Agreement and following such notice it shall begin and continue for the duration of the Term of this Agreement unless otherwise agreed. Nothing in this Section 3.2.2 shall be interpreted to (i) change compensation set forth in this Agreement for traffic or services other than Local Traffic, including but not limited to internetwork facilities, access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic other than Local Traffic for the purpose of compensation under the Bill-and-Keep Arrangement described in this Section 3.2.2, except as set forth in Section 3.1 above.

3.2.3 Sharing of Access Charges on Calls to Ported Numbers. Until permanent number portability is implemented, the Parties agree that switched access termination to a ported number will be billed by the party providing interim number portability and that the party billing the switched access will share the switched access revenue with the other party. After permanent number portability is implemented, the Parties agree to renegotiate sharing of access charges to ported numbers in accordance with permanent number portability requirements. In lieu of actual measurements of minutes and/exchange of billing records for this traffic the Parties agree that the Party providing the ported number will pay the other Party the rate per line/per month as specified in Appendix B.

3.2.3.1 The number of lines/talk paths per ported number that are subject to compensation will be determined at the time the end user customer's local service is changed from one party to the other. The number of lines per number eligible for the shared revenue arrangement described in this section will be limited to the number of lines in service on the date of conversion plus a 10% growth margin. After conversion the number of lines per number available for compensation can only be increased by mutual consent of the parties.

3.2.3.2 The Parties agree that the compensation rate in Section 3.3.3 may change as a result of changes in access rates, traffic volume or for

other reasons and agree to renegotiate the rate if a significant event occurs. At a minimum, the parties agree to reevaluate the rate on an annual basis.

3.2.3.3 The Parties agree that terminating switched access calls ported via interim number portability may appear to the receiving party to be a local call and that the implementation of reciprocal compensation for terminating local calls may result in overcompensation for ported switched access calls. Therefore, the Parties agree to renegotiate the terminating shared access compensation rate if reciprocal compensation for local calls is implemented.

3.3 Tandem Switching Traffic. The Parties will provide tandem switching for traffic between the Parties' end offices subtending each other's access tandem, as well as for traffic between either Party's end users and any third party which is interconnected to the other Party's access tandems as follows:

3.3.1 The originating Party will compensate the tandem Party for each minute of originated tandem switched traffic which terminates to third party (e.g., other CLEC, ILEC, or wireless service provider). The applicable rate for this charge is the tandem transiting charge identified in Appendix A.

3.3.2 The originating Party also assumes responsibility for compensation to the company which terminates the call.

3.3.3 The Parties agree to enter into their own agreements with third-party providers. In the event that Covad sends traffic through GTE's network to a third-party provider with whom Covad does not have a traffic interexchange agreement, then Covad agrees to indemnify GTE for any termination charges rendered by a third-party provider for such traffic.

3.4 Inter-Tandem Switching. The Parties will only use inter-tandem switching for the transport and termination of intraLATA toll traffic originating on each other's network at and after such time as either Covad has agreed to and fully implemented an existing intraLATA toll compensation mechanism such as IntraLATA Terminating Access Compensation (ITAC) or a functional equivalent thereof. The Parties will only use inter-tandem switching for the transport and termination of Local Traffic originating on each other's network at and after such time as the Parties have agreed to and fully implemented generally accepted industry signaling standards and Automated Message Accounting (AMA) record standards which shall support the recognition of multiple tandem switching events.

4. Direct Network Interconnection.

4.1 Network Interconnection Architecture. Covad may interconnect with GTE on its network at any of the minimum Currently Available points required by the FCC. Interconnection at additional points will be reviewed on an individual case basis. Where the Parties mutually agree following a Bona Fide Request (BFR) to directly interconnect their respective networks, interconnection will be as specified in the following subsections. Based on the configuration, the installation time line will vary considerably, however, GTE will work with Covad in all circumstances to install IPs within 120 calendar days absent extenuating circumstances. Internetwork connection and protocol must be based on industry standards developed consistent with Section 256 of the Act.

- 4.1.1 Subject to mutual agreement, the Parties may use the following types of network facility interconnection, using such interface media as are (i) appropriate to support the type of interconnection requested and (ii) available at the facility at which interconnection is requested.
- (a) A Mid-Span Fiber Meet within an existing GTE exchange area whereby the Parties mutually agree to jointly plan and engineer their facility IP at a designated manhole or junction location. The IP is the demarcation between ownership of the fiber transmission facility. Each party is individually responsible for its incurred costs in establishing this arrangement.
 - (b) A virtual or physical Expanded Interconnection Service (EIS) arrangement at a GTE Wire Center subject to the rates, terms, and conditions contained in GTE's applicable tariffs.
 - (c) A special access and/or CLEC Dedicated Transport arrangement terminating at a GTE Wire Center subject to the rates, terms, and conditions contained in GTE's applicable tariffs. These facilities will meet the standards set forth in such tariffs.
- 4.1.2 Virtual and physical EIS arrangements are governed by appropriate GTE tariffs, except as provided in Article IX, Section 1.3.
- 4.1.3 The Parties will mutually designate at least one IP on GTE's network within each GTE local calling area for the routing of Local Traffic.
- 4.2 Compensation. The Parties agree to the following compensation for internetwork facilities, depending on facility type.
- 4.2.1 **Mid-Span Fiber Meet:** GTE will charge special access (flat rated) transport from the applicable intrastate access tariff and will rate charges between the IP and GTE's interconnection switch. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The initial proportionate share factor for facilities is set forth in Appendix A. This factor will be updated quarterly in like manner or as the Parties otherwise agree. Covad will charge flat rated transport to GTE for Covad facilities used by GTE at tariffed rates or as mutually agreed. Covad will apply charges based on the lesser of; (i) the airline mileage from the IP to the Covad switch; or (ii) the airline mileage from the GTE switch to the serving area boundary.
 - 4.2.2 **Collocation:** GTE will charge Virtual or Physical EIS rates from the applicable GTE tariff. Covad will charge GTE flat rated transport at tariffed rates or as mutually agreed, to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. Covad will apply charges based on the lesser of (i) the airline mileage from the IP to the Covad switch; or (ii) two (2) times the airline mileage from the GTE switch to the serving area boundary.
 - 4.2.3 **Special Access and/or CLEC Dedicated Transport :** GTE will charge special access and/or switched access rates from the applicable GTE intrastate access tariff. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The Parties will negotiate an initial factor representative of the proportionate share of the facilities. This factor will be updated quarterly in like manner or as the Parties otherwise agree.

4.3 Trunking Requirements.

- 4.3.1 The Parties agree to establish trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including end offices, tandems, 911 routing switches, and directory assistance/operator service switches. The Parties will mutually agree where one-way or two-way trunking will be available. The Parties may use two-way trunks for delivery of Local Traffic or either Party may elect to provision its own one-way trunks for delivery of Local Traffic to the other Party. If a Party elects to provision its own one-way trunks, that Party will be responsible for its own expenses associated with the trunks.
- 4.3.2 Covad shall make available to GTE trunks over which GTE shall terminate to end users of Covad-provided Exchange Services, Local Traffic and intraLATA toll or optional EAS traffic originated from end users of GTE-provided Exchange Service.
- 4.3.3 Covad and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. Covad and GTE will support the provisioning of trunk groups that carry combined or separate Local Traffic and intraLATA toll and optional EAS traffic. GTE requires separate trunk groups from Covad to originate and terminate interLATA calls and to provide Switched Access Service to IXCs. To the extent Covad desires to have any IXCs originate or terminate switched access traffic to or from Covad, using jointly provided switched access facilities routed through a GTE access tandem, it is the responsibility of Covad to arrange for such IXC to issue an ASR to GTE to direct GTE to route the traffic. If GTE does not receive an ASR from the IXC, GTE will initially route the switched access traffic between the IXC and Covad. If the IXC subsequently indicates that it does not want the traffic routed to or from Covad, GTE will not route the traffic.
- 4.3.3.1 Each Party agrees to route traffic only over the proper jurisdictional trunk group.
- 4.3.3.2 Each Party shall only deliver traffic over the local interconnection trunk groups to the other Party's access tandem for those publicly-dialable NXX Codes served by end offices that directly subtend the access tandem or to those wireless service providers that directly subtend the access tandem.
- 4.3.3.3 Neither party shall route Switched Access Service traffic over local interconnection trunks, or Local Traffic over Switched Access Service trunks.
- 4.3.4 End-Office Trunking. The Parties will work together to establish high usage end-office trunk groups sufficient to handle the greater of the actual or reasonably forecasted traffic volumes between a Covad end office and a GTE end office.
- 4.3.5 Covad and GTE will reciprocally provide Percent Local Usage (PLU) factors to each other on a quarterly basis to identify the proper percent of Local Traffic carried on local interconnection trunks. If either Party does not provide to the other Party an updated PLU, the previous PLU will be utilized. The parties agree to the initial PLU factor as set forth in Appendix A.

- 4.3.6 Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, ((Synchronous Optical Network (SONET) where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
- 4.3.7 Covad and GTE agree to use diligent efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.
- 4.3.8 SS7 Common Channel Signaling will be used to the extent that such technology is available. If SS7 is not available, Multi-Frequency Signaling (MF) will be used as specified.
- 4.3.9 The Parties agree to offer and provide to each other B8ZS Extended Superframe Format (ESF) facilities, where available, capable of voice and data traffic transmission.
- 4.3.10 The Parties will support intercompany 64kbps clear channel where available.
- 4.3.11 Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request (ASR), or another industry standard eventually adopted to replace the ASR for local service ordering as referenced in Appendix F.

4.4 Trunk Forecasting.

- 4.4.1 The Parties will work towards the development of joint forecasting of trunk groups. Intercompany forecast information must be provided by the Parties to each other twice a year. The semi-annual forecasts will include:
 - 4.4.1.1 yearly forecasted trunk quantities for no less than a two-year period (current year, plus one year); and
 - 4.4.1.2 the use of (i) CLCI™-MSG codes, which are described in Bellcore document BR 795-100-100; (ii) circuit identifier codes as described in BR 795-400-100; and (iii) Trunk Group Serial Number (TGSN) as described in BR 751-100-195.
- 4.4.2 Description of major network projects that affect the other Party will be provided with the semi-annual forecasts provided pursuant to Section 4.4.1. Major network projects include but are not limited to trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities by either Party that are reflected by a significant increase or decrease in trunking demand for the following forecasting period.
- 4.4.3 GTE and Covad will work together to begin providing these forecasts within thirty (30) days after the effective date of this Agreement. New trunk groups will be implemented as dictated by engineering requirements for either Party.
- 4.4.4 Parties will meet to review and reconcile their forecasts if their respective forecasts differ significantly from one another.

- 4.5 Trunk Facility Under Utilization. At least once a year the Parties shall exchange trunk group measurement reports for trunk groups terminating to the other Party's network. In addition and from time to time, each Party will determine the required trunks for each of the other Party's trunk groups from the previous 12 months servicing data. Required trunks will be based on an objective P.01 grade of service or the Joint Interconnection Grooming Plan referenced in Section 4.3.7 above. Likewise, from time to time trunk groups with excess capacity will be identified to the other Party as eligible for downsizing. Excess capacity exists when a trunk group, on a modular trunk group design basis, has 24 trunks (one modular digroup) or ten (10) percent, whichever is larger, over the required number of trunks. The Party with excess trunking capacity will assess the trunk capacity based on forecasted requirements for the next 12 months. If after 12 months the trunk group continues to have excess capacity, the Party agrees to take steps to disconnect all excess capacity.
- 4.6 Network Redesigns Initiated by GTE. GTE will not charge Covad when GTE initiates its own network redesigns/reconfigurations.
- 4.7 Interconnection Calling and Called Scopes for the Access Tandem Interconnection and the End Office Interconnection.
- 4.7.1 GTE Access Tandem Interconnection calling scope (originating and terminating) is to those GTE end offices which subtend the GTE access tandem to which the connection is made except as provided for in Section 3.3 of this Article V.
- 4.7.2 GTE End Office Interconnection calling scope (originating and terminating) is only to the end office and its remotes to which the connection is made.
5. Indirect Network Interconnection. Neither Party shall deliver traffic destined to terminate at the other Party's end office via another LEC's end office. In addition, neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem until such time as compensation arrangements have been established in accordance with this Article V, Sections 3.1 and 3.4.
6. Number Resources.
- 6.1 Number Assignment. Nothing in this Agreement shall be construed to, in any manner, limit or otherwise adversely impact Covad's right to employ or to request and be assigned any NANP number resources including, but not limited to, Central Office (NXX) Codes pursuant to the Central Office Code Assignment Guidelines. Any request for numbering resources by Covad shall be made directly to the NANP Number Plan Administrator. Except with respect to those areas in which GTE is the NANP Number Plan Administrator, GTE shall not be responsible for the requesting or assignment of number resources to Covad. The Parties agree that disputes arising from numbering assignment shall be arbitrated by the NANP Number Plan Administrator. Covad shall not request number resources to be assigned to any GTE switching entity.
- 6.1.1 Each Party shall be responsible for notifying its customers of any changes in numbering or dialing arrangements to include changes such as the introduction of new NPAs or new NXX codes. Each Party is responsible for administering NXX codes assigned to it.
- 6.2 Rate Centers. For purposes of compensation between the Parties and the ability of the Parties to appropriately apply their toll rates to their end user customers, Covad shall

adopt the Rate Center areas and Rate Center points that the Commission has approved for the ILECs and shall assign whole NPA-NXX codes to each Rate Center.

- 6.3 Routing Points. Covad will also designate a Routing Point for each assigned NXX code. Covad may designate one location within each Rate Center as a Routing Point for the NPA-NXX associated with that Rate Center; alternatively Covad may designate a single location within one Rate Center to serve as the Routing Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by Covad within an existing GTE exchange area and LATA.
- 6.4 Code and Numbers Administration. The Parties will comply with code administration requirements as prescribed by the FCC, the Commission, and accepted industry guidelines. Where GTE is the NANP Number Plan Administrator, GTE will administer number resources, and charge for such administration in accord with applicable rules and regulations. GTE will administer numbering resources in a competitively neutral manner, and process requests for NXX codes in a timely manner and in accord with industry standards. The Parties shall protect Covad proprietary information that may be submitted to GTE in connection with GTE's responsibilities as NANP Number Plan Administrator in accordance with Article III, Section 11 of this Agreement.
- 6.5 Programming Switches. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide (LERG) to recognize and route traffic to the other Party's assigned NXX codes. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

7. Number Portability (NP).

- 7.1 Interim Number Portability (INP). Each Party shall provide the other Party with service provider number portability as an INP option for the purpose of allowing end user customers to change service-providing Parties without changing their telephone number. The Parties shall provide service provider number portability to each other using remote call forwarding ("RCF") and/or direct inward dialing (DID). The requesting Party will provide "forward to" telephone number that is within the same Wire Center. The GTE rates for INP service using RCF are set out in Appendix B attached to this Agreement and made a part hereof. Covad shall provide INP to GTE at the rates specified for Covad in Appendix B.

If a Party wishes to use Direct Inward Dialing (DID) to provide INP to its end users, dedicated trunk group is required between the GTE end office where the DID numbers are served into the CLEC switch. If there are no existing facilities between GTE and the CLEC, the dedicated facilities and transport trunks will be provisioned as switched access or unbundled service using the ASR provisioning process. The requesting Party will reroute the DID numbers to the pre-positioned trunk group using an Local Service Request (LSR). CLEC may purchase DID trunk service from GTE using the LSR at the wholesale rates set out in Appendix C attached to this Agreement and made a part hereof.

- 7.2 Local Number Portability (LNP). The Parties agree that they shall develop and deploy number portability in accordance to with the Act, such binding FCC and state mandates, and industry standards, as may be applicable. Upon implementation of LNP, the Parties agree to transition all INP customers and their services to LNP methods within a mutually agreed upon time frame and to discontinue further use of interim methods of number portability.

8. Meet-Point Billing (MPB).

8.1 Meet-Point Arrangements.

- 8.1.1 The Parties may mutually establish MPB arrangements in order to provide Switched Access Services to Access Service customers via a GTE access tandem in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein and as described in Section 3.2.3 for Interim Portability.
- 8.1.2 Except in instances of capacity limitations, GTE shall permit and enable Covad to sub-tend the GTE access tandem(s) nearest to the Covad Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem, Covad shall be allowed to subtend the next-nearest GTE access tandem in which sufficient capacity is available.
- 8.1.3 Interconnection for the MPB arrangement shall occur at the IP.
- 8.1.4 Common Channel Signaling shall be utilized in conjunction with MPB arrangements to the extent such signaling is resident in the GTE access tandem switch.
- 8.1.5 Covad and GTE will use diligent efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 8.1.6 As detailed in the MECAB document, Covad and GTE will, in a timely fashion, exchange all information necessary to accurately, reliably and promptly bill Access Service customers for Switched Access Services traffic jointly handled by Covad and GTE via the meet-point arrangement. Information shall be exchanged in Exchange Message Record (EMR) format, on magnetic tape or via a mutually acceptable Electronic File Transfer protocol.
- 8.1.7 Covad and GTE shall work cooperatively to coordinate rendering of Meet-Point bills to customers, and shall reciprocally provide each other usage data and related information at the appropriate charge.

8.2 Compensation.

- 8.2.1 Initially, billing to Access Service customers for the Switched Access Services jointly provided by Covad and GTE via the MPB arrangement shall be according to the multiple-bill method as described in the MECAB guidelines. This means each Party will bill the portion of service it provided at the appropriate tariff, or price list.
- 8.2.2 Subsequently, Covad and GTE may mutually agree to implement one of the following options for billing to third parties for the Switched Access Services jointly provided by Covad and GTE via the MPB arrangement: single-bill/single tariff method, single-bill/multiple tariff method, or to continue the multiple-bill method. Should either Party prefer to change among these billing methods, that Party shall notify the other Party of such a request in writing, ninety (90) Business Days in

advance of the date on which such change is desired to be implemented. Such changes then may be made in accordance with MECAB guidelines and if the Parties mutually agree, the change will be made.

9. Common Channel Signaling.

9.1 Service Description. The Parties will provide Common Channel Signaling (CCS) to one another via Signaling System 7 (SS7) network interconnection, where and as available, in the manner specified in FCC Order 95-187, in conjunction with all traffic exchange trunk groups. SS7 signaling and transport services shall be provided by GTE in accordance with the terms and conditions of this Section 9 of this Article and Appendix G attached to this Agreement and made a part hereof. The Parties will cooperate on the exchange of all appropriate SS7 messages for local and intraLATA call set-up signaling, including ISDN User Part (ISUP) and Transaction Capabilities Application Part (TCAP) messages to facilitate full interoperability of all CLASS Features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as data base queries) will be jointly negotiated and agreed upon.

9.2 Signaling Parameters. All SS7 signaling parameters will be provided in conjunction with traffic exchange trunk groups, where and as available. These parameters include Automatic Number Identification (ANI), Calling Party Number (CPN), Privacy Indicator, calling party category information, originating line information, charge number, etc. Also included are all parameters relating to network signaling information, such as Carrier Information Parameter (CIP), wherever such information is needed for call routing or billing. GTE will provide SS7 via GR-394-SS7 and/or GR-317-SS7 format(s).

9.3 Privacy Indicators. Each Party will honor all privacy indicators as required under applicable law.

9.4 Connection Through Signal Transfer Point (STP). Covad must interconnect with the GTE STP(s) serving the LATA in which the traffic exchange trunk groups are interconnected. Additionally, all interconnection to GTE's 800/888 database and GTE's Line Information Data Base (LIDB) shall, consistent with this section and Appendix G attached hereto, take place only through appropriate STP pairs.

9.5 Third Party Signaling Providers. Covad may choose a third-party SS7 signaling provider to transport messages to and from the GTE SS7 network. In that event, that third party provider must present a letter of agency to GTE, prior to the testing of the interconnection, authorizing the third party to act on behalf of Covad in transporting SS7 messages to and from GTE. The third-party provider must interconnect with the GTE STP(s) serving the LATA in which the traffic exchange trunk groups are interconnected.

9.6 Multi-Frequency Signaling. In the case where CCS is not available, in band Multi-Frequency (MF), wink start, E & M channel associated signaling with ANI will be provided by the Parties. Network signaling information, such as CIC/OZZ, will be provided wherever such information is needed for call routing or billing.

10. Network Outages. GTE shall work with Covad to establish reciprocal responsibilities for managing network outages and reporting. Each party shall be responsible for network outage as a result of termination of its equipment in GTE Wire Center or access tandem. Covad shall be responsible for notifying GTE of significant outages which could impact or degrade GTE switches and services.

ARTICLE VI
RESALE OF SERVICES

1. General. The purpose of this Article VI is to define the Exchange Services and related Vertical Features and other Services (collectively referred to for purposes of this Article VI as the "Services") that may be purchased from GTE and resold by Covad and the terms and conditions applicable to such resold Services. Except as specifically provided otherwise in this Agreement, provisioning of Exchange Services for resale will be governed by the GTE Guide. GTE will make available to Covad for resale any Telecommunications Service that GTE currently offers, or may offer hereafter, on a retail basis to subscribers that are not telecommunications carriers, except as qualified by Section 2.1 below.

2. Terms and Conditions.

2.1 Restrictions on Resale. The following restrictions shall apply to the resale of retail services by Covad.

2.1.1 Covad shall not resell to one class of customers a service that is offered by GTE only to another class of customers in accordance with state requirements (e.g., R-1 to B-1, disabled services or lifeline services to non-qualifying customers).

2.1.2 Covad shall not resell lifeline services and services for the disabled.

2.1.3 Covad shall not resell promotional offerings of 90 days or less in duration. These promotional offerings are not available to Covad for resale. GTE will apply any applicable resale discount to the ordinary rate for a retail service rather than the special promotional rate.

2.2 Interim Universal Service Support Charge for Resale Services. Covad wishes to resell GTE's Basic Exchange Residential and Business services. It is GTE's position that GTE's current intraLATA toll rates include implicit subsidies that support below-cost prices for other services and thus promote universal service. This universal service support is lost where a CLEC resells GTE's local service but does not resell GTE's intraLATA toll service. For this reason, GTE will not resell Basic Exchange Residential or Business services unless Covad pays the monthly interim universal service support charge set forth in Appendix C. GTE believes that this interim surcharge is required by state and federal law.

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

2.2.1 Covad agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, Covad will begin paying the monthly interim surcharge in accord with the Commission or court order, including a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this agreement if so ordered.

2.2.2 Notwithstanding any provision in this Agreement, GTE may, at its sole discretion and at any time, seek injunctive or other relief (i) requiring Covad to pay GTE's

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

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

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

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

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

2.3.3 Covad may resell COCOT coin or coinless line; however, no discount applies.

2.3.4 Covad may resell special access; however, no discount applies.

2.3.5 Covad may resell Operator Services and Directory Assistance as specified in Section 5.6 herein however no discount applies.

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

3. Ordering and Billing.

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

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

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

3.3 Directory Assistance Listings. GTE shall include a Covad customer listing in its Directory Assistance database as part of the LSR process. GTE will honor Covad Customer's preferences for listing status, including non-published and unlisted, as noted on the LSR and will enter the listing in the GTE database which is used to perform Directory Assistance functions as it appears on the LSR.

3.4 Nonrecurring Charges. Covad shall be responsible for the payment of all nonrecurring charges (NRCs) applicable to resold Services (e.g., installation, changes, ordering

charges) as listed in Appendix C. In addition, NRCs for Field Service work (Installation/Repair requiring on site visits will be charged from the appropriate tariff. No discount applies to nonrecurring charges.

3.5 Transfers Between Covad and Another Reseller of GTE Services. When Covad has obtained an end user customer from another reseller of GTE services, Covad will inform GTE of the transfer by submitting standard LSR forms to GTE.

3.5.1 GTE cannot accept an order for AIT of service from one CLEC reselling GTE services to another reseller of GTE services.

3.6 Local Calling Detail. Except for those Services and in those areas where measured rate local service is available to end users, monthly billing to Covad does not include local calling detail. However, Covad may request and GTE shall consider developing the capabilities to provide local calling detail in those areas where measured local service is not available for a mutually agreeable charge.

3.7 Procedures. An overview of the procedures for preordering, ordering, provisioning and billing for resold services are outlined in Appendix F, attached hereto and made a part hereof.

3.8 LIDB. For resale services, the LSR will generate updates to GTE's LIDB for validation of calling card, collect, and third number billed calls.

3.9 Originating Line Number Screening (OLNS). Upon request, GTE will update the database to provide OLNS which indicates to an operator the acceptable billing methods for calls originating from the calling number (e.g., penal institutions, COCOTS).

4. Maintenance.

4.1 Maintenance, Testing and Repair. GTE will provide repair and maintenance services to Covad and its end user customers for resold services in accordance with the same standards and charges used for such services provided to GTE end user customers. GTE will not initiate a maintenance call or take action in response to a trouble report from a Covad end user until such time as trouble is reported to GTE by Covad. Covad must provide to GTE all end user information necessary for the installation, repair and servicing of any facilities used for resold services according to the procedures described in the Guide.

4.2 Specifics and Procedures for Maintenance. An overview of the procedures for maintenance of resold services and additional matters agreed to by the Parties concerning maintenance are set forth in Appendix F.

5. Services Available for Resale.

5.1 Description of Local Exchange Services Available for Resale. Resold basic Exchange Service includes, but is not limited to, the following elements:

(a) Voice Grade Local Exchange Access Line - includes a telephone number and dial tone.

(b) Local Calling - at local usage measured rates if applicable to the end user customer.

- (c) Access to long distance carriers
- (d) E-911 Emergency Dialing
- (e) Access to Service Access Codes - e.g., 800, 888, 900
- (f) Use of AIN Services (those Currently Available to end users)
- (g) End User Private Line Services
- (h) Listing of telephone number in appropriate "white pages" directory; and
- (i) Copy of "White Pages" and "Yellow Pages" directories for the appropriate GTE service area
- (j) IntraLATA toll

5.2 List of Services Available for Resale. The type of Services listed on Appendix C, attached hereto and made a part of this Agreement, are available for resale by Covad. Subject to the limitations on resale enumerated in this Article, any new services that GTE offers in the future at retail to customers who are not telecommunications carriers shall also be available to Covad for resale under the same terms and conditions contained in this Agreement. Additional regulations, terms and conditions relating to the type of Services listed on Appendix C can be found in the appropriate intrastate local, toll and access tariffs. Terms, conditions and other matters concerning rate applications, technical parameters, provisioning capability, definitions and feature interactions contained in such tariffs are applicable to the type of Services offered under this Agreement and are incorporated herein by reference. Modifications to Services listed on Appendix C shall be provided to Covad in accordance with GTE's practices and procedures.

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

5.3 Rates. The prices charged to Covad for Local Services shall be calculated as follows:

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

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

5.3.3 The resulting rate is the resale rate.

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

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

- 5.5 Access. GTE retains all revenue due from other carriers for access to GTE facilities, including both switched and special access charges.
- 5.6 Operator Services (OS) and Directory Assistance (DA). Operator Services for local and toll assistance (for example, call completion, busy line verification and emergency interruption) and Directory Assistance (e.g., 411 calls) are provided as an element of Exchange Services offered for resale. GTE may brand this service as GTE .Covad will be billed in accordance with Appendix C.
- 5.6.1 If Covad requests branding or unbranding, GTE will provide such unbranding or rebranding with Covad's name pursuant to Article VII, Section 12.
- 5.6.2 Covad will be billed a charge for unbranding or rebranding and customized routing as set forth in Article VII, Section 10.4 and additional charges specified in Article VII, Section 11.4.
- 5.6.3 For those offices that Covad has requested GTE to rebrand and/or unbrand OS and DA, GTE will provide it where GTE performs its own OS and DA service subject to capability and capacity limitations where customized routing is Currently Available. If GTE uses a third-party contractor to provide OS or DA, GTE will not provide branding nor will GTE negotiate it with a third party on behalf of Covad. Covad must negotiate with the third party. In these instances, Covad will need to purchase customized routing and dedicated trunking to differentiate its OS/DA traffic from GTE's.

ARTICLE VII
UNBUNDLED NETWORK ELEMENTS

On January 25, 1999, the Supreme Court of the United States issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court vacated Rule 51.319 of the FCC's First Report and Order, FCC 96-325, 61 Fed. Reg. 45476 (1996) and modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, No. 97-826, 1999 U.S. LEXIS 903 (1999). Under Section 251 (d)(2), the FCC was required to determine what UNEs should be made available, and it listed them in the now-vacated FCC Rule 51.319. Thus, it is GTE's position that there is currently no determination of what, if any, UNEs should be made available under the law, and until this determination is made there is no legal obligation to provide any particular UNEs. Without waiving any rights and only on an interim basis, GTE agrees to provide the UNEs listed herein ("Old 319 UNEs") in accordance with the associated provisions in the agreement and only upon the following interdependent terms and conditions:

1) Until the FCC issues new and final rules with regard to vacated Rule 51. 319 that comply with the Act ("New Rules"), GTE will provide the Old 319 UNEs listed below even though it is GTE's position that it is not legally obligated to do so; provided, however, that Covad agrees not to seek UNE "platforms," or "already bundled" combinations of UNEs.

2) Covad agrees that after the Final FCC Rules are issued, the Parties will determine what UNEs should be included in the Agreement as required by the Act, and they will incorporate them into the Agreement. If the Parties cannot agree on what UNEs are then required under the Act, either Party at any time may seek to incorporate the appropriate UNEs under the Act into the agreement in accord with Article III, Section 32, the change of law provision (s) of the Agreement, notwithstanding anything to the contrary or the expiration of any time periods outlined in such provision (s) or any other provision of the Agreement.

3.) By providing Old 319 UNEs, GTE does not waive any of its rights, including its rights to seek recovery of its actual costs and a sufficient, explicit universal service fund. Nor does GTE waive its position that, under the Court's decision, it is not required to provide Old 319 UNEs unconditionally. Moreover, GTE does not agree that the Old 319 UNE rates set forth below are just and reasonable and in accordance with the requirements of sections 251 and 252 of Title 47 of the United States Code.

4) The above "status quo" arrangement applies only to UNEs, UNE pricing, unbundling and UNE platform issues. The Parties have not determined if other provisions of the Agreement are inconsistent with the law. To the extent there are other provisions in the Agreement that are inconsistent with, or impacted by the law, including the Supreme Court's decision in *Iowa Utilities Board*, it is the intent of the Parties that the Agreement should conform thereto and that the "change of law" provisions therein may be invoked to accomplish that end.

1. General. The purpose of this Article VII is to define the UNEs that may be leased by Covad from GTE. Unless otherwise specified in this Agreement, provisioning of unbundled network arrangements will be governed by the GTE Guide. Additional procedures for preordering, ordering, provisioning and billing of UNEs are outlined in Appendix F.

2. Unbundled Network Elements.

2.1 Categories. There are several separate categories of network components that shall be provided as UNEs by GTE:

- (a) Network Interface Device (NID)
- (b) Loop Elements
- (c) Port and Local Switching Elements
- (d) Transport Elements
- (e) SS7 Transport and Signaling

2.2 Prices. Individual UNEs and prices are identified on Appendix D attached to this Agreement and made a part hereof, or under the appropriate GTE tariff as referenced in this Article. Nonrecurring charges relating to unbundled elements are also listed on Appendix D.

2.2.1 Compensation For Exchange Of Traffic Using Unbundled Network Elements. Compensation arrangements between Covad and GTE for exchanging traffic when Covad uses GTE provided Unbundled Network Elements; i.e., port and local switching, transport, shall be as provided in Appendix J.

2.2.2 Interim Universal Service Support Charge. GTE assesses a separate interim universal service fund surcharge for loops and ports to provide continued universal service support that is implicit in GTE's current retail services prices; and to respect the careful distinctions Congress has drawn between access to UNEs, on the one hand, and the purchase at wholesale rates of GTE services on the other. This surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer the port and loop UNEs at the rates set forth below in Appendix D without the interim surcharge, but subject to the following terms and conditions:

2.2.2.1 Covad agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, Covad will begin paying the monthly interim surcharge in accord with the Commission or court order, including a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this Agreement if so ordered.

2.2.2.2 Notwithstanding any provision in this Agreement, GTE may, at its sole discretion and at any time, seek injunctive or other relief (i) requiring Covad to pay GTE's interim surcharge or (ii) requiring the Commission to immediately impose the interim surcharge.

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

2.3 Connection to Unbundled Elements. Covad may connect to the UNEs listed in Article VII, Section 2.1 that Covad chooses. The UNEs must be Currently Available and connection to them must be technically viable. Covad may combine these UNEs with any facilities that Covad may itself provide subject to the following:

2.3.1 Connection of Covad facilities to unbundled elements shall be achieved via physical collocation arrangements Covad shall maintain at the Wire Center at which the unbundled services are resident.

a. In circumstances where physical collocation space is not available at the Wire Center where the unbundled services are resident, alternative arrangements shall be negotiated between GTE and Covad. All incremental costs associated with the alternative arrangements shall be borne by Covad.

2.3.2 Each unbundled element shall be delivered via an EIS cross-connection to Covad's designated terminal block, or equivalent termination point, as a part of the collocation arrangement. Applicable rates for this cross connection are listed in GTE's FCC Tariff No. 1.

2.3.3 Covad shall combine UNEs with its own facilities. GTE has no obligation to combine any UNEs for Covad, nor does GTE agree to combine any network elements for Covad. Covad may not combine such UNEs to provide solely interexchange service or solely access service to an interexchange carrier.

2.4 Service Quality. GTE shall not be responsible for impacts on service attributes, grades of service, etc., resulting from Covad's specific use of or modification to any UNE.

2.5 Provisioning and Support. GTE agrees to provide UNEs in a timely manner considering the need and volume of requests, pursuant to agreed upon service provisioning intervals. GTE shall provide power to such elements on the same basis as GTE provides to itself.

3. Network Interface Device.

3.1 Direct Connection. Covad shall be permitted to connect its own Loop directly to GTE's NID in cases in which Covad uses its own facilities to provide local or special access service to an end user formerly served by GTE, as long as such direct connection does not adversely affect GTE's network. In order to minimize any such adverse effects, the following procedures shall apply:

3.1.1 When connecting its own loop facility directly to GTE's NID for a residence or business customer, Covad must make a clean cut on the GTE drop wire at the NID so that no bare wire is exposed. Covad shall not remove or disconnect GTE's drop wire from the NID or take any other action that might cause GTE's drop wire to be left lying on the ground.

- 3.1.2 At multi-tenant customer locations, Covad must remove the jumper wire from the distribution block (i.e. the NID) to the GTE cable termination block. If Covad cannot gain access to the cable termination block, Covad must make a clean cut at the closest point to the cable termination block. At Covad's request and discretion, GTE will determine the cable pair to be removed at the NID in multi-tenant locations. Covad will compensate GTE for the trip charge necessary to identify the cable pair to be removed.
 - 3.1.3 GTE agrees to offer NIDs for lease to Covad but not for sale. Covad may remove GTE identification from any NID which it connects to a Covad loop, but Covad may not place its own identification on such NID.
 - 3.1.4 GTE Loop elements leased by Covad will be required to terminate only on a GTE NID. If Covad leasing a GTE loop wants a Covad NID, they will also be required to lease a GTE NID for the direct loop termination and effect a NID to NID connection.
- 3.2 NID to NID Connection. Rather than connecting its loop directly to GTE's NID, Covad may also elect to install its own NID and effect a NID to NID connection to gain access to the end user's inside wiring.
- 3.2.1 If Covad provides its own loop facilities, it may elect to move all inside wire terminated on a GTE NID to one provided by Covad. In this instance, a NID to NID connection will not be required. Covad, or the end user premise owner, can elect to leave the GTE disconnected NID in place, or to remove the GTE NID from the premise and dispose of it entirely.
- 3.3 Removal of Cable Pairs. Removal of existing cable pairs required for Covad to terminate service is the responsibility of Covad.
- 3.4 Maintenance. When Covad provides its own loop and connects directly to GTE's NID, GTE does not have the capability to perform remote maintenance. Covad can perform routine maintenance via its loop and inform GTE once the trouble has been isolated to the NID and GTE will repair (or replace) the NID, or, at Covad's option, it can make a NID to NID connection, using the GTE NID only to gain access to the inside wire at the customer location.
- 3.5 Collocation Requirement. When Covad purchases a GTE NID as a stand-alone unbundled element, the collocation arrangement described in Article VII, Section 2.3.1 is not required.

4. Loop Elements.

- 4.1 Service Description. A "Loop" is an unbundled component of Exchange Service or special access service. In general, it is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame (MDF), or it's equivalent, in a GTE end office or Wire Center to and including a demarcation or connector block in/at a subscriber's premises. Traditionally, Loops were provisioned as 2-wire or 4-wire copper pairs running from the end office MDF to the customer premises. However, a loop may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may, in turn, be distributed from a node location to the subscriber premises via a copper or coaxial drop facility, etc.

- 4.2 Categories of Loops. There are six general categories of loops:
- 4.2.1 "2-wire analog loop" is a voice grade transmission facility that is suitable for transporting analog voice signals between approximately 300-3000 Hz, with loss not to exceed 8.5 db. A 2-wire analog loop may include load coils, bridge taps, etc. This facility may also include carrier derived facility components (i.e, pair gain applications, loop concentrators/multiplexers). This type of unbundled loop is commonly used for local dial tone service. GTE does not guarantee data modem speeds on a 2-wire analog loop, nor does GTE guarantee that CLASS features will perform properly on a 2-wire analog loop provisioned using subscriber analog carrier.
 - 4.2.2 "4-wire analog loop" conforms to the characteristics of a 2-wire analog loop and, in addition, can support simultaneous independent transmission in both directions. GTE does not guarantee data modem speeds on a 4-wire analog loop, nor does GTE guarantee that CLASS features will perform properly on a 4-wire analog loop provisioned using subscriber analog carrier.
 - 4.2.3 "2-wire digital loop" is a transmission facility capable of transporting digital signals up to 160 kbps with no greater loss than 38 db measured at 40 kHz without midspan repeaters. Dependent upon loop make up and length, midspan repeaters may be required, in which case loss will be no greater than 76 db at 40 kHz. 2-wire digital loops will be provisioned without load coils and bridge taps. Where technically capable, 2-wire digital loops may be configured to support Enhanced Copper Technologies (ECTs), such as xDSL or ISDN, provided by Covad. When utilizing ADSL technology, Covad is responsible for limiting the Power Spectral Density of the signal to the levels specified in Clause 6.13 of ANSI T1.413 ADSL Standards.
 - 4.2.4 "4-wire digital loop" is a transmission facility that is suitable for the transport of digital signals at rates up to 1.544 mbps. Dependent on loop length, this facility may require midspan repeaters. Where technically capable, 4-wire digital loops may be configured to support Enhanced Copper Technologies (ECTs), such as xDSL or ISDN, provided by Covad. When a 4-wire digital loop is used to provision HDSL technology, the insertion loss, measured between 110 W termination at 200 kHz, should be less than 34 db. The DC resistance of a single wire pair should not exceed 1100 Ohms. A 4-wire digital loop will be provisioned without load coils or bridge taps.
 - 4.2.5 "DS-1 loop" will support a digital transmission rate of 1.544 Mbps. The DS-1 loop will have no bridge taps or load coils and will employ special line treatment. DS-1 loops will include midspan line repeaters where required, office terminating repeaters, and DSX cross connects.
 - 4.2.6 "DS-3 loop" will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps. This DS-3 type of loop provides the equivalent of 28 DS-1 channels and shall include the electronics at either end.
- 4.3 Conditioned Analog Loops. Covad may request that analog loops ordered above be conditioned in order for them to provide the end user service. Examples of this type of conditioning are: Type C, Type DA, and Improved C. The price for such conditioned loops shall be the applicable charge as provided in the appropriate GTE intrastate special access tariff or, when applicable, in accordance with a BFR.

4.4 Loop Testing and Maintenance.

- 4.4.1 GTE will not perform routine testing of the unbundled loop for maintenance purposes. Covad will be required to provision a loop testing device either in its central office (switch location), Network Control Center or in its collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by Covad.
- 4.4.2 All Loop facilities furnished by GTE on the premises of Covad's end users and up to the network interface or functional equivalent are the property of GTE. GTE must have access to all such facilities for network management purposes. GTE employees and agents may enter said premises at any reasonable hour to test and inspect such facilities in connection with such purposes or, upon termination or cancellation of the Loop facility, to remove such facility.
- 4.4.3 GTE will provide loop transmission characteristics to Covad end users which are equal to those provided to GTE end users.
- 4.4.4 If Covad leases loops which are conditioned to transmit digital signals, as a part of that conditioning, GTE will test the loop and provide recorded test results to Covad. In maintenance and repair cases, if loop tests are taken, GTE will provide any recorded readings to Covad at time the trouble ticket is closed in the same manner as GTE provides to itself and its end users.

4.5 Pair Gain Technology. In situations where GTE uses pair gain technology in its network to provision portions of local loops, GTE's ability to provide unbundled loops may be affected. Where GTE utilizes integrated digital loop carrier (IDLC)¹ technology to provision a loop, GTE is not able to provide that loop as an unbundled loop. Where GTE utilizes other types of pair gain technology to provision a loop, GTE may be able to provide that loop as an unbundled loop, depending on the technology involved and the type of unbundled loop ordered, however, the capabilities of the unbundled loop may be limited. If Covad orders an unbundled loop to a location that is normally served by pair gain technology and GTE cannot meet the requirements of the unbundled loop due to the pair gain technology, GTE will use alternate facilities, if available, to provision the unbundled loop. If alternate facilities are not available, GTE will advise Covad that facilities are not available to provision the unbundled loop. GTE will not construct additional facilities at GTE's expense to provide the unbundled loop, however, Covad may use the bonafide request process in Article VIII of this Agreement to request GTE to construct additional facilities at Covad's expense.

- 4.5.1 GTE will permit Covad to collocate digital loop carriers and associated equipment in conjunction with collocation arrangements Covad maintains at a GTE Wire Center for the purpose of interconnecting to unbundled Loop elements.

¹ See Bellcore TR-TSY-000008, Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch and TR-TSY-000303, Integrated Digital Loop Carrier (IDLC) Requirements, Objectives and Interface.

- 4.6 Unbundled Loop Facility Qualification and Spectral Interference. If Covad plans to deploy enhanced copper technologies (ECTs), such as analog carrier, ADSL , or ISDN, over unbundled copper loops, that may potentially interfere with other ECTs deployed within the same cable sheath, Covad is responsible for notifying GTE of its intent. GTE will determine if there are any existing or planned ECTs deployed by GTE or other CLECs within the same cable sheath that may either cause interference or be interfered by Covad's proposed ECT. If there are existing ECTs deployed or in the process of being deployed by GTE or other CLECs, or if GTE has existing near term plans (within 6 months of the date of facility qualification) to deploy such technology, GTE will so advise Covad and Covad shall not be permitted to deploy the proposed ECT. If Covad disagrees with GTE's determination, GTE will review the basis of its determination with Covad and the Parties will attempt to jointly resolve the disagreement.
- 4.6.1 If Covad orders an unbundled digital loop, pursuant to Sections 4.2.3 or 4.2.4 above, and provides the industry standard codes on the order indicating the type of service to be deployed on the loop, that shall constitute notification and GTE will perform the loop qualification as part of the ordering process at no additional charge.
- 4.6.2 If Covad orders an unbundled analog loop, pursuant to Sections 4.2.1 or 4.2.2 above, and plans to deploy ECTs on that loop, notification must be provided separately and apart from the ordering process. Upon receipt of notification GTE will perform the loop qualification, however, additional charges may apply.
- 4.6.3 If Covad fails to notify GTE of its plans to deploy an ECT on an unbundled loop, either via the ordering process for a digital loop or via separate notification for an analog loop, and obtain prior qualification from GTE for the loop, if Covad's deployment of such technology is determined to have caused interference with existing or planned services deployed by GTE or another CLEC in the same cable sheath, Covad will immediately remove such ECT and shall reimburse GTE for all incurred expense related to this interference.
- 4.6.4 Provided Covad has notified GTE of its plans to deploy an ECT on an unbundled loop and obtained loop qualification pursuant to this Section 4.6, GTE will not deploy any ECTs within the same cable sheath that will be incompatible with Covad's technology.
- 4.6.5 The Parties acknowledge that certain issues regarding spectral interference in the provisioning of unbundled loops are being addressed by the FCC in pending rulemaking proceedings. The Parties agree they will negotiate terms and conditions as a result of such FCC rules once final and binding decisions are issued, subject to either Party's right to seek injunctive relief regarding such decisions, and amend the Agreement to reflect any such terms and conditions.
- 4.7 Intentionally left blank.
- 4.8 Subloops.

- 4.8.1 GTE will provide as separate items the loop distribution, loop concentrator and loop feeder on a case-by-case basis pursuant to a BFR as described in Article VIII, Section 1.
- 4.8.2 GTE will design and construct loop access facilities (including loop feeders and loop concentration/multiplexing systems) in accordance with standard industry practices as reflected in applicable tariffs and/or as agreed to by GTE and Covad.
- 4.8.3 Transport for loop concentrators/multiplexers services not supported by embedded technologies will be provided pursuant to applicable tariffs or as individually agreed upon by GTE and Covad. The Parties understand that embedded loop concentrators/multiplexers are not necessarily capable of providing advanced and/or digital services.
- 4.8.4 GTE will provide loop transmission characteristics as specified in Section 4.4.3 herein.

5. Port and Local Switching Elements.

5.1 Port. Port is an unbundled component of Exchange Service that provides for the interconnection of individual loops or trunks to the switching components of GTE's network. In general, it is a line card or trunk card and associated peripheral equipment on GTE end office switch that serves as the hardware termination for the end user's Exchange Service on that switch and generates dial tone and provides the end user access to the public switched telecommunications network. The port does not include such features and functions which are provided as part of Local Switching. Each line-side port is typically associated with one (or more) telephone number(s), which serve as the end user's network address.

5.2 Ports Available as UNEs. There are four types of Ports available as UNEs;

- 5.2.1 "Basic analog line side port" is a line side switch connection employed to provide basic residential and business type Exchange Service.
- 5.2.2 "ISDN BRI digital line side port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.
- 5.2.3 "DS-1 digital trunk side port" is a trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk ports.
- 5.2.4 "ISDN PRI digital trunk side port" is a Primary Rate Interface (PRI) Trunk Side switch connection employed to provide ISDN Exchange Services

5.3 Port Prices. Prices for Ports are listed in Appendix D.

5.4 Local Switching. Local switching provides the basic circuit switching functions to originate, route and terminate traffic and any signaling deployed in the switch. Vertical features are optional services provided through software programming in the switch which can be added on a per-feature basis with applicable rate. GTE will offer only those features and functions Currently Available to the particular platform used (e.g., DMS, 5ESS, GTD5). Any feature or function which is not available, but the switch is capable of providing, may be requested via the BFR process. Covad will be responsible for bearing any costs incurred by GTE in making such

feature/function available, including Right-to-Use (RTU) fees. The rates for Local Switching and Vertical Features are listed in Appendix D.

5.4.1 Covad must purchase Local Switching with the line-side Port or trunk-side Port.

5.5 Compliance with Section 2.3. Covad shall only order unbundled elements in accordance with Section 2.3 herein and it will be the responsibility of Covad to make arrangements for the delivery of interexchange traffic and routing of traffic over interoffice transmission facilities, if applicable.

5.6 Shared Transport is the physical interoffice facility medium that is used to transport a call between switching offices. A central office switch translates the end user dialed digits and routes the call over a Common Transport Trunk Group that rides interoffice transmission facilities. These trunk groups and the associated interoffice transmission facilities are accessible by any end user (GTE end user or CLEC end user when CLEC has purchased unbundled local switching), and are referred to as "shared transport facilities".

5.6.1 Many calls riding shared transport facilities will also be switched by GTE's access tandem. This tandem switching function is included as a rate component of Shared Transport, as set forth in Appendix D.

5.6.2 When the requesting CLEC purchases unbundled local switching the CLEC is obligated to purchase unbundled Shared Transport. All of the billing elements associated with Shared Transport are billed upon call origination, unless the call involves an interexchange carrier.

5.6.3 The rating of Shared Transport is based upon the duration of a voice grade (or DS0) call on GTE's network. Shared Transport is comprised of three billing components: (1) Transport - Facility Miles (usage and distance sensitive); (2) Transport - Termination (per end, usage sensitive); and (3) Tandem Switching (usage sensitive). Until an industry standard solution is implemented for generating AMA recordings that identify tandem routed local calls, the parties will use a Shared Transport composite rate using the Tandem Switching rate, two (2) terminations, and an assumed Facility miles length of ten (10) miles. This interim methodology will be used in lieu of actual detailed AMA recordings and bill generation.

5.6.4 GTE is responsible for the sizing of the Shared Transport network. All analysis, engineering, and trunk augmentations to Common Transport Trunk Groups will be the sole responsibility of GTE. To ensure that the network is appropriately sized, GTE may request traffic forecasts from the CLEC requesting unbundled local switching. These forecasts must be provided to GTE on a quarterly basis, with a 12 month outlook.

5.6.5 GTE provides Shared Transport between GTE switching offices (e.g. between GTE end offices, a GTE end office and a GTE tandem switch, between a GTE end office and the IP of a connecting telecommunications company, or between a tandem switch and the IP of a connecting telecommunications company). However, the transport between a GTE switching office and the requesting CLEC's switching office must be purchased as Dedicated Transport and is not provided as Shared Transport.

6. Dedicated Transport

- 6.1 Dedicated Transport is an UNE that is purchased for the purpose of transporting Telecommunication Services between designated Serving Wire Centers (SWC). Dedicated Transport may extend between two GTE SWCs (Interoffice Dedicated Transport or IDT) or may extend from the GTE SWC to the CLEC premise (CLEC Dedicated Transport or CDT). CDT remains within the exchange boundaries of the SWC, while IDT traverses exchange boundaries. IDT and CDT are further defined in Sections 6.2 and 6.3 below.
- 6.2 CLEC Dedicated Transport is the Dedicated Transport facility connecting the GTE Serving Wire Center (SWC) to the requesting CLEC's Customer Designated Location (CDL). The CDL will be the designated location where the CLEC's physical network begins (the CDL cannot be designated at an end user customer location).
- 6.3 This UNE includes the equipment required to terminate the interoffice facility within requesting CLEC's CDL and within the GTE SWC. The product also includes the transport facility between the two locations, but extends no further into GTE's network than the CDL's SWC. CLEC Dedicated Transport is a dedicated UNE which has no switching components. CLEC Dedicated Transport can be purchased in bandwidth increments of DSO, DS1, or DS3 at rates outlined in Appendix D.
- 6.4 CLEC Dedicated Transport consists of monthly recurring (non-usage sensitive) billable elements that are dependent on bandwidth, but may vary depending on the termination arrangement at the CDL (Office Terminating Repeater vs. SONET terminal, first system vs. additional system, etc.)
- 6.5 Interoffice Dedicated Transport is the Dedicated Transport facility connecting two GTE Serving Wire Centers (SWCs). Interoffice Dedicated Transport excludes the facilities between the Servicing Wire Center (SWC) and the Customer Designated Location (CDL). Interoffice Dedicated Transport is a dedicated UNE which has no switching components. Interoffice Dedicated Transport can be purchased at the bandwidth levels of DSO, DS1, or DS3 at rates outlined in Appendix D.
- 6.6 The price of the Interoffice Dedicated Transport UNE varies with the bandwidth purchased and consists of a non-recurring charge and monthly recurring (non-usage sensitive) billable elements. The components are Transport Facility Miles (monthly recurring), and Transport Termination (per end, monthly recurring).
7. SS7 Transport and Signaling. SS7 signaling and transport services in support of Covad's local exchange services shall be provided in accordance with the terms and conditions of Appendix G attached to this Agreement and made a part hereof.
- 7.1 GTE will provide interconnection with its SS7 network at the STPs but not at other points.
8. LIDB Services. Access to GTE's LIDB shall be provided in accordance with the rates, terms and conditions of GTE's switched access tariff, GTOC Tariff FCC No. 1, Section 8.
9. Database 800-Type Services. Access to GTE's 800-Type database (i.e., 888, 877) shall be provided in accordance with the rates, terms and conditions of GTE's switched access tariff, GTOC Tariff FCC No. 1, Section 8.

10. Operator Services (OS) and Directory Assistance (DA). GTE will provide OS and DA to Covad in accordance with the terms set forth as follows:
- 10.1 When OS and/or DA is to be provided for calls that originate from a CLECs own switch, GTE will provide branded or unbranded OS and/or DA pursuant to separate contracts to be negotiated in good faith between the parties after execution and approval of this Agreement by the Commission. (Refer to Article VIII for further details).
 - 10.2 When OS and/or DA is to be provided for calls that originate from an unbundled Port with Local Switching, as provided herein, and neither branding nor unbranding is requested, the CLECs calls will access GTE's OS and/or DA platform and will be processed in the same manner as GTE calls.
 - 10.3 When OS and/or DA is to be provided for calls that originate from an unbundled Port with Local Switching, as provided herein, and either branding or unbranding is requested, GTE will provide such unbranding or rebranding on a switch-by-switch basis, subject to capability and capacity limitations where Customized Routing is Currently Available. Upon receipt of an order for unbranding or rebranding, GTE will implement within 90 Business Days when technically capable.
 - 10.4 Covad will be billed charges for OS and DA and a charge for unbranding or rebranding and Customized Routing as set forth in Section 11.2. In addition, charges specified in Section 11.4 will apply.
 - 10.5 For those offices that Covad has requested GTE to rebrand and/or unbrand OS and DA, GTE will provide it where GTE performs its own OS and DA service subject to capability and capacity limitations where Customized Routing is Currently Available. If GTE uses a third-party contractor to provide OS or DA, GTE will not provide branding nor will GTE negotiate it with a third party on behalf of Covad. Covad must negotiate with the third party. In these instances, Covad will need to purchase customized routing to differentiate OS/DA traffic from GTE's.
11. Customized Routing. Where Currently Available and upon receipt of a written BFR from Covad as described in Article VIII, Section 1, GTE agrees to provide customized routing for the following types of calls:
- 0-
 - 0+Local
 - 0+411
 - 1+411
 - 0+HNPA-555-1212 (intraLATA, only when intraLATA presubscription is not available)
 - 1+HNPA-555-1212 (intraLATA, only when intraLATA presubscription is not available).
- 11.1 GTE will provide Covad a list of switches that can provide customized routing using line class codes or similar method (regardless of current capacity limitations). Covad will return a list of these switches ranked in priority order. GTE will return to Covad a schedule for customized routing in the switches with existing capabilities and capacity.

- 11.2 In response to the BFR from Covad, GTE will provide Covad with applicable charges, and terms and conditions, for providing OS and DA, branding, and customized routing.
 - 11.3 Subject to the above provisions, GTE will choose the method of implementing customized routing of OS and DA calls.
 - 11.4 When GTE agrees to provide customized routing to Covad, Covad will be required to establish Dedicated Transport in order to route OS/DA traffic to the designated platform. If unbundled Dedicated Transport is used to route OS/DA traffic to the designated platform, Covad must purchase a Trunk Side port and establish a collocation arrangement in accordance with Section 2.3 of this Article. The rates for these UNEs will be billed in accordance with Appendix D. If the Dedicated Transport used to route OS/DA traffic to the designated platform is ordered out of the applicable access tariff, no collocation arrangement or Trunk Side port is required.
12. Advanced Intelligent Network Access (AIN). GTE will provide Covad access to GTE AIN functionality from GTE's AIN Service Control Point (SCP) via GTE's local switch or Covad's local switch.
 13. Directory Assistance Listing. When Covad orders an unbundled port or an unbundled loop, *CLEC has the option to submit a Directory Service Request (DSR) to have the listings included in GTE's Directory Assistance database. The applicable ordering charge will be applied for processing the DSR.
 14. Operational Support Systems (OSS). GTE shall provide OSS functions to Covad for ordering, provisioning and billing that are generally available as described in Appendix F attached to this Agreement.

ARTICLE VIII
ADDITIONAL SERVICES AND COORDINATED SERVICE ARRANGEMENTS

1. Bona Fide Request Process.

1.1 Intent. The BFR process is intended to be used when Covad requests certain services, features, capabilities or functionality defined and agreed upon by the Parties as services to be ordered as BFRs.

1.2 Process.

1.2.1 A BFR shall be submitted in writing by Covad and shall specifically identify the need to include technical requirements, space requirements and/or other such specifications that clearly define the request such that GTE has sufficient information to analyze and prepare a response.

1.2.2 Covad may cancel a BFR in writing at any time prior to Covad and GTE agreeing to price and availability. GTE will then cease analysis of the request.

1.2.3 Within five (5) Business Days of its receipt, GTE shall acknowledge in writing the receipt of the BFR and identify a single point of contact and any additional information needed to process the request.

1.2.4 Except under extraordinary circumstances, GTE will provide Covad a response to the BFR within fifteen (15) Business Days of its receipt. If GTE can meet Covad's request, the response will provide a proposed price and availability date. If GTE cannot meet Covad's request, the response will provide an explanation as to why. If extraordinary circumstances prevail, GTE will inform Covad as soon as it realizes that it cannot meet the fifteen (15)-Business Day response due date. Covad and GTE will then determine a mutually agreeable date for receipt of the request.

1.2.5 Unless Covad agrees otherwise, all proposed prices shall be consistent with the pricing principles of the Act, FCC and/or the Commission. Payments for services purchased under a BFR will be made upon delivery, unless otherwise agreed to by Covad, in accordance with the applicable provisions of the Agreement.

1.2.6 Upon affirmative response from GTE, Covad will submit in writing its acceptance or rejection of GTE's proposal. If at any time an agreement cannot be reached as to the terms and conditions or price of the request GTE agrees to meet, the Dispute resolution procedures described in Article III herein may be used by a Party to reach a resolution.

2. Transfer of Service Announcements. When an end user customer transfers service from one Party to the other Party, and does not retain its original telephone number, the Party formerly providing service to the end user will provide, upon request and if such service is provided to its own customers, a referral announcement on the original telephone number. This announcement will provide the new number of the customer and will remain in effect for the same time period this service is provided to GTE's own end users.

3. Misdirected Calls. The Parties will employ the following procedures for handling any misdirected calls (e.g., Business office, repair bureau, etc.):
 - 3.1 To the extent the correct provider can be determined, each Party will refer misdirected calls to the proper provider of local exchange service. When referring such calls, both Parties agree to do so in a courteous manner at no charge.
 - 3.2 For misdirected repair calls, the Parties will provide their respective repair bureau contact number to each other on a reciprocal basis and provide the end user the correct contact number.
 - 3.3 In responding to misdirected calls, neither Party shall make disparaging remarks about each other, nor shall they use these calls as a basis for internal referrals or to solicit end users or to market services.

4. 911/E-911 Arrangements.

- 4.1 Description of Service. Covad will install a minimum of two (2) dedicated trunks to GTE's 911/E-911 selective routers (i.e., 911 tandem offices) that serve the areas in which Covad provides Exchange Services, for the provision of 911/E-911 services and for access to all subtending PSAPs. The dedicated trunks shall be, at a minimum, DS-0 level trunks configured as a 2-wire analog interface or as part of a digital (1.544 Mbps) interface in which all circuits are dedicated to 9-1-1 traffic. Either configuration shall use CAMA type signaling with multi-frequency (MF) tones that will deliver ANI with the voice portion of the call. GTE will provide Covad with the appropriate CLLI (Common Language Location Identifier) Codes and specifications of the tandem office serving area or the location of the primary Public Safety Answering Point (PSAP) when there is no 911 routing in that 911 district. If a Covad central office serves end users in an area served by more than one (1) GTE 911/E-911 selective router, Covad will install a minimum of two (2) dedicated trunks in accordance with this Section to each of such 911/E-911 selective routers or primary PSAP.
- 4.2 Transport. If Covad desires to obtain transport from GTE to the GTE 911 selective routers, Covad may purchase such transport from GTE at the rates set forth in Appendix E .
- 4.3 Cooperation and Level of Performance. The Parties agree to provide access to 911/E-911 in a manner that is transparent to the end user. The Parties will work together to facilitate the prompt, reliable and efficient interconnection of Covad's systems to the 911/E-911 platforms, with a level of performance that will provide the same grade of service as that which GTE provides to its own end users. To this end, GTE will provide documentation to Covad showing the correlation of its rate centers to its E-911 tandems at rates set forth in Appendix E .
- 4.4 Basic 911 and E-911 General Requirements:
 - 4.4.1 Basic 911 and E-911 provides a caller access to the appropriate emergency service bureau by dialing a 3-digit universal telephone number (911).
 - 4.4.2 Where GTE has a 911 selective router installed in the network serving the 911 district, GTE shall use subscriber data derived from the Automatic Location Identification/Database Management System (ALI/DMS) to

selectively route the 911 call to the PSAP responsible for the caller's location.

- 4.4.3 All requirements for E-911 also apply to the use of SS7 as a type of signaling used on the interconnection trunks from the local switch to an end office or a selective router.
- 4.4.4 Basic 911 and E-911 functions provided to Covad shall be at least at parity with the support and services that GTE provides to its subscribers for such similar functionality.
- 4.4.5 Basic 911 and E-911 access from Local Switching shall be provided to Covad in accordance with the following:
 - 4.4.5.1 GTE and Covad shall conform to all state regulations concerning emergency services.
 - 4.4.5.2 For E-911, both Covad and GTE shall use their respective service order processes to update access line subscriber data for transmission to the database management systems. Validation will be done via MSAG comparison listed in Section 4.4.5.5.
 - 4.4.5.3 If legally required by the appropriate jurisdiction, GTE shall provide or overflow 911 traffic to be routed to GTE Operator Services or, at Covad's discretion, directly to Covad Operator Services.
 - 4.4.5.4 Basic 911 and E-911 access from the Covad local switch shall be provided from GTE to Covad in accordance with the following:
 - 4.4.5.4.1 If required by Covad and Currently Available, GTE shall interconnect direct trunks from the Covad network to the E-911 PSAP, or to the E-911 selective routers as designated by Covad. Such trunks may alternatively be provided by Covad.
 - 4.4.5.4.2 In government jurisdictions where GTE has obligations under existing Agreements as the primary provider of the 911 System to the county (i.e., "lead telco"), Covad shall participate in the provision of the 911 System as follows:
 - 4.4.5.4.2.1 Each Party shall be responsible for those portions of the 911 System for which it has control, including any necessary maintenance to each Party's portion of the 911 System.
 - 4.4.5.4.2.2 Covad and GTE recognize that the lead telco in a 911 district has the responsibility of maintaining the ALI database for that district. Each company will provide its access line subscriber records to the database

organization of that lead telco. Covad and GTE will be responsible for correcting errors when notified by either the 911 district or its customer, and then submitting the corrections to the lead telco. Lead telco database responsibilities are covered in Section 4.4.5.5 of this Article.

4.4.5.4.2.3 Covad shall have the right to verify the accuracy of information regarding Covad customers in the ALI database using methods and procedures mutually agreed to by the Parties. The fee for this service shall be determined based upon the agreed upon solution.

4.4.5.4.3 If a third party is the primary service provider to a 911 district, Covad shall negotiate separately with such third party with regard to the provision of 911 service to the agency. All relations between such third party and Covad are totally separate from this Agreement and GTE makes no representations on behalf of the third party.

4.4.5.4.4 If Covad or Affiliate is the primary service provider to a 911 district, Covad and GTE shall negotiate the specific provisions necessary for providing 911 service to the agency and shall include such provisions in an amendment to this Agreement.

4.4.5.4.5 Interconnection and database access shall be at rates as set forth in Appendix E.

4.4.5.4.6 GTE shall comply with established, competitively neutral intervals for installation of facilities, including any collocation facilities, diversity requirements, etc.

4.4.5.4.7 In a resale situation, where it may be appropriate for GTE to update the ALI database, GTE shall update such database with Covad data in an interval no less than is experienced by GTE subscribers, or than for other carriers, whichever is faster, at no additional cost.

4.4.5.5 The following are Basic 911 and E-911 Database Requirements:

4.4.5.5.1 The ALI database shall be managed by GTE, but is the property of GTE and any participating LEC or Covad which provides their records to GTE.

4.4.5.5.2 Copies of the MSAG shall be provided within five (5) Business Days after the date the request is received

and provided on diskette or paper copy at the rates set forth in Appendix E.

- 4.4.5.5.3 Covad shall be solely responsible for providing Covad database records to GTE for inclusion in GTE's ALI database on a timely basis.
 - 4.4.5.5.4 GTE and Covad shall arrange for the automated input and periodic updating of the E-911 database information related to Covad end users. GTE shall work cooperatively with Covad to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). GTE shall accept electronically transmitted files or magnetic tape that conform to National Emergency Number Association (NENA) Version #2 format.
 - 4.4.5.5.5 Covad shall assign an E-911 database coordinator charged with the responsibility of forwarding Covad end user ALI record information to GTE or via a third-party entity, charged with the responsibility of ALI record transfer. Covad assumes all responsibility for the accuracy of the data that Covad provides to GTE.
 - 4.4.5.5.6 GTE shall update the database within one (1) Business Day of receiving the data from Covad. If GTE detects an error in the Covad provided data, the data shall be returned to Covad within one day from when it was provided to GTE. Covad shall respond to requests from GTE to make corrections to database record errors by uploading corrected records within one day. Manual entry shall be allowed only in the event that the system is not functioning properly.
 - 4.4.5.5.7 GTE agrees to treat all data on Covad subscribers provided under this Agreement as strictly confidential and to use data on Covad subscribers only for the purpose of providing E-911 services.
 - 4.4.5.5.8 GTE shall adopt use of a Carrier Code (NENA standard five-character field) on all ALI records received from Covad. The Carrier Code will be used to identify the carrier of record in NP configurations. The NENA Carrier Code for Covad is "Covad"; the NENA Carrier Code for GTE is "GTE."
- 4.4.5.6 GTE and Covad will comply with the following requirements for network performance, maintenance and trouble notification.
- 4.4.5.6.1 Equipment and circuits used for 911 shall be monitored at all times. Monitoring of circuits shall be done to the individual trunk level. Monitoring shall be

conducted by GTE for trunks between the selective router and all associated PSAPs.

4.4.5.6.2 Repair service shall begin immediately upon report of a malfunction. Repair service includes testing and diagnostic service from a remote location, dispatch of or in-person visit(s) of personnel. Where an on-site technician is determined to be required, a technician will be dispatched without delay.

4.4.5.6.3 GTE shall notify Covad forty-eight (48) hours in advance of any scheduled testing or maintenance affecting Covad 911 service. GTE shall provide notification as soon as possible of any unscheduled outage affecting Covad 911 service.

4.4.5.6.4 All 911 trunks must be capable of transporting Baudot Code necessary to support the use of Telecommunications Devices for the Deaf (TTY/TDDs).

4.4.5.7 Basic 911 and E-911 Additional Requirements

4.4.5.7.1 All Covad lines that have been ported via INP shall reach the correct PSAP when 911 is dialed. Where GTE is the lead telco and provides the ALI, the ALI record will contain both the Covad number and GTE ported number. The PSAP attendant shall see both numbers where the PSAP is using a standard ALI display screen and the PSAP extracts both numbers from the data that is sent. GTE shall cooperate with Covad to ensure that 911 service is fully available to all Covad end users whose telephone numbers have been ported from GTE, consistent with State provisions.

4.4.5.7.2 Covad and GTE shall be responsible for reporting all errors, defects and malfunctions to one another. GTE and Covad shall provide each other with a point of contact for reporting errors, defects, and malfunctions in the service and shall also provide escalation contacts.

4.4.5.7.3 Covad may enter into subcontracts with third parties, including Covad Affiliates, for the performance of any of Covad's duties and obligations stated herein.

4.4.5.7.4 Where GTE is the lead telco, GTE shall provide Covad with notification of any pending selective router moves within at least ninety (90) days in advance.

4.4.5.7.5 Where GTE is the lead telco, GTE shall establish a process for the management of Numbering Plan Area

(NPA) splits by populating the ALI database with the appropriate new NPA codes.

4.4.5.7.6 Where GTE is the lead telco, GTE shall provide the ability for Covad to update 911 database with end user information for lines that have been ported via INP or LNP.

4.4.6 Basic 911 and E-911 Information Exchanges and interfaces. Where GTE is the lead telco:

4.4.6.1 GTE shall provide Covad access to the ALI Gateway which interfaces to the ALI/DMS database. GTE shall provide error reports from the ALI/DMS database to Covad within one (1) day after Covad inputs information into the ALI/DMS database. Alternately, Covad may utilize GTE or a third-party entity to enter subscriber information into the database on a demand basis, and validate subscriber information on a demand basis. The rates are set forth in Appendix E.

4.4.6.2 GTE and Covad shall arrange for the automated input and periodic updating of the E-911 database information related to Covad end users. GTE shall work cooperatively with Covad to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). GTE shall accept electronically transmitted files or magnetic tape that conform to National Emergency Number Association (NENA) Version #2 format.

4.4.6.3 Updates to MSAG. Upon receipt of an error recording an Covad subscriber's address from GTE, and where GTE is the lead telco, it shall be the responsibility of Covad to ensure that the address of each of its end users is included in the Master Street Address Guide (MSAG) via information provided on Covad's LSR or via a separate feed established by Covad pursuant to Section 4.4.5.7 of this Article.

4.4.6.4 The ALI database shall be managed by GTE, but is the property of GTE and all participating telephone companies. The interface between the E-911 Switch or Tandem and the ALI/DMS database for Covad subscriber shall meet industry standards.

4.5 Compensation.

4.5.1 In situations in which GTE is responsible for maintenance of the 911/E-911 database and can be compensated for maintaining Covad's information by the municipality, GTE will seek such compensation from the municipality. Covad will compensate GTE for such maintenance of the 911/E-911 database only if and to the extent that GTE is unable to obtain such compensation from the municipality. GTE shall charge Covad a portion of the cost of the shared 911/E-911 selective router as set forth in Appendix E.

4.5.2 For states where GTE bills and keeps the 9-1-1 surcharges, e.g. Hawaii, Ohio, and Michigan's Technical Surcharge, Covad will bill its access line

subscribers the 9-1-1 surcharge that is currently in effect and remit that charge to GTE. Payments to GTE are due within thirty (30) days of Covad's payment due date from its access line subscribers and will be identified as "9-1-1 Surcharge Payment for the month of (list appropriate month)" as a separate line item in the remittance documentation.

4.5.3 For all states (except Hawaii and Ohio), including Michigan's Operational Surcharge, where GTE bills and remits the 9-1-1 surcharges, less an administrative fee of one to three percent, to the 9-1-1 district, Covad will bill its access line subscribers the 9-1-1 surcharge that is currently in effect and remit that charge to that government agency. GTE will have no responsibility in billing or remitting surcharges that apply to Covad's access line subscribers.

4.5.4 Should the 9-1-1 surcharge fee change, GTE will promptly inform Covad of that change so that Covad may conform to the new rate(s).

4.6 Liability. GTE will not be liable for errors with respect to 911/E-911 services except for its gross negligence as addressed in applicable tariffs.

5. Information Services Traffic.

5.1 Routing. Each Party shall route traffic for Information Services (i.e., 900-976, Internet, weather lines, sports providers, etc.) which originates on its network to the appropriate Information Service Platform.

5.2 Billing and Collection and Information Service Provider (ISP) Remuneration.

5.2.1 In the event GTE performs switching of ISP traffic associated with resale or unbundled ports for Covad, GTE shall provide to Covad the same call detail records that GTE records for its own end users, so as to allow Covad to bill its end users. GTE shall not be responsible or liable to Covad or ISP for Billing and Collection and/or any receivables of Information Service Providers.

5.2.2 Notwithstanding and in addition to Article III, Section 25, GTE shall be indemnified and held harmless by Covad from and against any and all suits, actions, losses, damages, claims, or liability of any character, type, or description, including all expenses of litigation and court cost which may arise as a result of the provisions contained in this Article VIII, Section 5.2.1 supra. The indemnity contained in this section shall survive the termination of this Agreement, for whatever reason.

5.2.3 GTE agrees to notify Covad in writing within ten (10) Business Days, by registered or certified mail at the address specified in Article III, Section 28, of any claim made against GTE on the obligations indemnified against pursuant to this Article VIII, Section 5.

5.2.4 It is understood and agreed that the indemnity provided for in this Article VIII, Section 5 is to be interpreted and enforced so as to provide indemnification of liability to GTE to the fullest extent now or hereafter permitted by law.

- 5.3 900-976 Call Blocking. GTE shall not unilaterally block 900-976 traffic in which GTE performs switching associated with resale or UNEs. GTE will block 900-976 traffic when requested to do so, in writing, by Covad. Covad shall be responsible for all costs associated with the 900-976 call blocking request. GTE reserves the right to block any and all calls which may harm or damage its network.
- 5.4 Miscellaneous. GTE reserves the right to provide to any Information Service Provider a list of any and all Telecommunications Providers doing business with GTE.
6. Telephone Relay Service. Local and intraLATA Telephone Relay Service (TRS) enables deaf, hearing-impaired, or speech-impaired TRS users to reach other telephone users. With respect to resold services, Covad's end users will have access to the state authorized TRS provider to the extent required by the Commission, including any applicable compensation surcharges.
7. Directory Assistance (DA) and Operator Services (OS). Where Covad is providing local service with its own switch, upon Covad's request GTE will provide to Covad rebranded or unbranded directory assistance services and/or operator services pursuant to separate contracts to be negotiated in good faith between the Parties. If Covad so requests directory assistance services and/or operator services, such contracts shall provide for the following:
- 7.1 Directory Assistance Calls. GTE directory assistance centers shall provide number and addresses to Covad end users in the same manner that number and addresses are provided to GTE end users. If information is provided by an automated response unit (ARU), such information shall be repeated twice in the same manner in which it is provided to GTE end users. Where available, GTE will provide call completion to Covad end users in the same manner that call completion is provided to GTE end users. GTE will provide its existing services to Covad end users consistent with the service provided to GTE end users.
- 7.2 Operator Services Calls. GTE operator services provided to Covad end users shall be provided in the same manner GTE operator services are provided to GTE end users. In accordance with GTE practices and at GTE rates, GTE will offer to Covad end users collect, person-to-person, station-to-station calling, third-party billing, emergency call assistance, calling card services, credit for calls, time and charges, notification of the length of call, and real time rating. GTE operators shall also have the ability to quote Covad rates upon request but only if there is appropriate cost recovery to GTE and to the extent it can be provided within the technical limitations of GTE's switches. GTE will provide its existing services to Covad end users consistent with the service GTE provides to its own end users.
8. Directory Assistance Listings Information. GTE will make available to Covad, at Covad's request, GTE end user and authorized CLEC directory assistance listing information stored in GTE's DA database for the purposes of Covad providing directory assistance service to its customers in the local GTE calling area. Implementation of customized routing, pursuant to Article VII, Section 11 is required for Covad to provide Directory Assistance Service for GTE Resold and Unbundled Port services.
- 8.1 Directory Assistance Listing Information is the listed names, addresses and telephone numbers of GTE and authorized CLEC subscribers. Excluded are listings for restricted CLEC lines. GTE directory assistance listing information includes 800/888 listings, non-listed numbers and foreign listings within the GTE franchise. GTE will also provide non-published listings subject to the following limitations:

- 8.1.1 GTE will provide the name and address for non-published listings along with a non-published indicator. GTE may also provide the full ten (10) digit telephone number on an interim basis only, until GTE, in its sole discretion, modifies its systems to preclude the delivery of the non-published telephone number. Following such modification, Covad agrees that the non-published telephone numbers will no longer be available.
- 8.1.2 Covad agrees to defend, hold harmless and indemnify GTE against any claims, damages or liabilities arising out of any complaint, suit or other action brought by third parties relating to the release by Covad of any non-published customer names, addresses or numbers.
- 8.2 GTE shall provide to Covad, at Covad's request, directory assistance listing information within sixty (60) Business Days after an order is received for that specific state. The DA listing information will be provided in GTE format via magnetic tape or National Data Mover (NDM) as specified by Covad. Updates to the DA listing information shall be provided on a daily basis through the same means used to transmit the initial load. DA listing information provided shall indicate whether the customer is a residence or business customer. The rates to be paid by Covad to GTE for the initial load and daily updates will be provided upon request.
- 8.2.1 Such listings shall be confidential information under this Agreement and Covad will use the listings only for its directory assistance services to its end users. Covad is not authorized to release GTE's DA listing information to any other party or to provide DA to any other party using GTE DA listing information, including Covad's affiliates, subsidiaries or partners, except with the expressed written permission of GTE. In those instances where Covad's affiliates, subsidiaries or partners also desire to use GTE's DA listing information, each affiliate, subsidiary or partner must negotiate a contract with GTE to obtain the listings.
- 8.2.2 If Covad uses a third-party directory assistance service to its end users, Covad will ensure that such third party likewise treats the listings as Confidential Information under this Agreement, and uses them only for CLEC directory assistance.
- 8.3 The Parties will not release DA listing information that includes the other Party's end user information to third parties without the other Party's written approval. The other Party will inform the Releasing Party if it desires to have the Releasing Party provide the other Party's DA Listing Information to the third party, in which case, the Releasing Party shall provide the other Party's DA listing information at the same time as the Releasing Party provides the Releasing Party's DA Listing Information to the third party. The rate to be paid by the Releasing Party to the other Party shall be no more than the direct costs of compiling such information. The other Party shall be responsible for billing the third party.
- 8.4 The Parties will work together to identify and develop procedures for database error corrections.
9. Directory Listings and Directory Distribution. Covad will be required to negotiate a separate agreement for directory listings and directory distribution, except as set forth below, with GTE's directory publication company.

- 9.1 Listings. Covad agrees to supply GTE on a regularly scheduled basis, at no charge, and in a mutually agreed upon format (e.g. Ordering and Billing Forum developed), all listing information for Covad's subscribers who wish to be listed in any GTE published directory for the relevant operating area. Listing information will consist of names, addresses (including city, state and zip code) and telephone numbers. Nothing in this Agreement shall require GTE to publish a directory where it would not otherwise do so.

Listing inclusion in a given directory will be in accordance with GTE's solely determined directory configuration, scope, and schedules, and listings will be treated in the same manner as GTE's listings.

- 9.2 Distribution. Upon directory publication, GTE will arrange for the initial distribution of the directory to service subscribers in the directory coverage area at no charge.

Covad will supply GTE in a timely manner with all required subscriber mailing information including non-listed and non-published subscriber mailing information, to enable GTE to perform its distribution responsibilities.

10. Busy Line Verification and Busy Line Verification Interrupt. Each Party shall establish procedures whereby its operator assistance bureau will coordinate with the operator assistance bureau of the other Party to provide Busy Line Verification (BLV) and Busy Line Verification and Interrupt (BLVI) services on calls between their respective end users. Each Party shall route BLV and BLVI inquiries over separate inward operator services trunks. Each Party's operator assistance bureau will only verify and/or interrupt the call and will not complete the call of the end user initiating the BLV or BLVI. Each Party shall charge the other for the BLV and BLVI services at the rates contained in the respective tariffs.
11. Street Address Guide (SAG). GTE will provide to Covad upon request the Street Address Guide at a reasonable charge. Two companion files will be provided with the SAG which lists all services and features at all end offices, and lists services and features that are available in a specific end office.
12. Dialing Format Changes. GTE will provide reasonable notification to Covad of changes to local dialing format, *i.e.*, 7 to 10 digit, by end office.

ARTICLE IX
COLLOCATION

1. Physical Collocation. GTE shall provide to Covad physical collocation of equipment pursuant to 47 CFR § 51.323 necessary for interconnection or for access to UNEs. GTE may provide virtual collocation in place of physical collocation if GTE demonstrates to the Commission that physical collocation is not practical because of technical reasons or space limitations, as provided in Section 251(c)(6) of the Act. GTE may also deny virtual collocation if GTE demonstrates to the Commission that virtual collocation is not practical because of technical reasons or space limitations. If the Commission determines that either physical or virtual collocation cannot be provided due to space limitations or technical reasons, Covad may submit a BFR to GTE and the Parties shall work together to determine whether alternative collocation arrangements are feasible. In the event GTE denies collocation space due to technical reasons or space limitations, GTE shall provide to the Commission information supporting GTE's decision within 30 days of denying Covad's request. GTE will provide such collocation for purposes of interconnection or access to UNEs pursuant to the terms and conditions in the applicable federal and state EIS tariffs.

Absent extenuating circumstances, GTE will work with Covad to install collocation arrangements within 90 days of receipt of an ASR and payment of 50% of the non-recurring charge. Covad is responsible for delivery of correct cables and equipment in a timely manner.

The Parties acknowledge that certain issues regarding collocation, including but not limited to, alternative arrangements for physical collocation (such as cageless collocation), types of collocated equipment, and collocation intervals, are being addressed by the FCC in pending rulemaking proceedings. The Parties agree they will negotiate terms and conditions as a result of such FCC rules once final and binding decisions are issued, subject to either Party's right to seek injunctive relief regarding such decisions, and amend the Agreement to reflect any such terms and conditions.

- 1.1 Space Planning. In addition to such provisions for space planning and reservation as may be set forth in the applicable GTE federal and state EIS tariffs, the parties agree to the following terms and conditions.

- 1.1.1 GTE has the right to reserve space within its central offices for its own use based on a 2 -year planning horizon. If GTE believes that a longer planning horizon is appropriate for a specific project, GTE agrees to demonstrate its requirement to the Commission to determine if the longer reservation of space is reasonable.
- 1.1.2 GTE will notify Covad if it plans to build an addition to a central office where Covad has collocated facilities, if such addition would result in a material increase of space available for collocation.
- 1.1.3 Covad may submit to GTE a forecast for space planning for collocated facilities in a central office. GTE will, in good faith, consider such forecast when planning renovations of existing facilities or constructing or leasing new facilities for such central office; provided, however that any final space planning or utilization decision shall be made by GTE in its sole discretion.

- 1.1.4 Subject to technical feasibility and space limitations, GTE will make available at applicable federal and state EIS tariffs such intraoffice facilities as may be necessary to accommodate projected volumes of Covad traffic.
- 1.2 Connection to Customer Loops and Ports. Facilities for cross-connection to unbundled loops and ports shall be provided under the applicable GTE federal tariff for Special Access Cross Connect, until such time as a local tariff applicable to the facilities used for such cross-connection is filed.
- 1.3 Connection to Other Collocated Carriers. Subject to technical feasibility and space limitations, Covad may interconnect with other carriers collocated at a GTE central office at which Covad has collocated facilities; provided, however, that Covad and such other carriers must be collocated at the GTE central office for the primary purpose of interconnecting with GTE or accessing GTE's UNEs. If Covad wants to interconnect with other carriers collocated at a GTE central office, Covad must provide GTE with thirty Business Days' prior written notice, during which time GTE may elect to provide the facilities necessary to accomplish such interconnection. Covad and the other collocated carriers may provide the necessary interconnection facilities only if GTE elects not to provide such facilities or fails to so elect within the thirty day notice period. If GTE elects to provide interconnection facilities under this section, GTE will provide this cross connection under the GTE federal tariff for Special Access Cross Connect, until such time as a local tariff applicable to the facilities used for such interconnection facilities is filed.
- 1.4 Choice of Vendor. Covad may use the vendor of its choice to install, maintain and repair equipment within Covad's collocated space. Access by the employees, agents or contractors of such vendor shall be subject to the same restrictions on access by employees, agents or contractors of Covad imposed under the applicable GTE federal and state EIS tariffs, including but not limited to certification and approval by GTE.
- 1.5 Monitoring. Subject to technical feasibility and space limitations, Covad may extend its own facilities for remote monitoring of its collocated equipment to its collocated space. Covad may request that GTE provide the facilities necessary for such remote monitoring, at which time GTE and Covad will negotiate in good faith the price, terms and conditions of remote monitoring by GTE.
- 1.6 Phone Service. Upon ordering collocated space, Covad may order that its collocation cage be provided with plain old telephone service (POTS) commencing at such time as GTE has completed construction of the collocated space. Covad shall pay separately for any ordered POTS service.
- 1.7 Intraoffice Diversity. At Covad's request, GTE will provide diversity for ingress/egress fiber and power cables where such diversity is available and subject to technical feasibility and space limitations.
- 1.8 Covad Proprietary Information. GTE will protect all Covad proprietary information to the extent required under non-disclosure agreements existing as of the date GTE completes construction of a physical collocation space at Covad's request.
- 1.9 Notification of Modifications. GTE will notify Covad of modifications to collocation space in accord with the terms of applicable GTE state and federal EIS tariffs. Additionally, GTE shall notify Covad when major upgrades are made to the power

plants supporting Covad's collocation space. The following shall constitute such major upgrades:

- (a) replacement of a rectifier;
- (b) addition or replacement of a new fusing module;
- (c) addition or replacement of a power distribution unit frame; or
- (d) addition or replacement of modular rectifiers.

1.10 Drawings. When Covad orders collocated space, GTE and Covad will hold a GTE/Customer meeting in accord with applicable GTE state and federal EIS tariffs. At such meeting, GTE will provide such drawings of GTE's central office facility as may be necessary to adequately depict Covad's proposed collocation space.

1.11 Construction of Space. If Covad orders caged collocation facilities, GTE will construct Covad's collocation space in accord with the terms and conditions set forth in the applicable GTE state and federal EIS tariff. Additionally, GTE agrees to the following terms and conditions regarding construction of collocated space:

1.11.1 Space will be provided in 25 square foot increments, and shall be designed so as to prevent unauthorized access.

1.11.2 A cage shall have the following standard features:

- (a) eight-foot high, nine gauge chain link panels;
- (b) three of the panels listed at (a) above shall measure eight by ten feet, the fourth panel shall measure eight by seven feet;
- (c) the door to the cage shall measure eight by three feet and shall also consist of nine gauge chain link;
- (d) the cage shall be provided with one padlock set, with GTE retaining one master key;
- (e) one AC electrical outlet;
- (f) one charger circuit system;
- (g) one electrical sub-panel;
- (h) such additional lighting as may be necessary;
- (i) one fire detection requirement evaluation;
- (j) grounding for the cage consistent with COEI.

1.11.3 Modifications to the standard configuration set forth in Section 1.11.2 can be made on an individual case basis. If modifications are agreed upon and made by the Parties, GTE will work with Covad to implement such additional modifications as may be necessary to ensure that Covad's collocated space is protected from unauthorized access.

- 1.11.4 At such time as construction of Covad's collocation space is approximately 50 percent completed, GTE will give Covad notification, and such notification shall include scheduled completion and turnover dates.
 - 1.11.5 Upon completion of construction of collocated space, GTE will conduct a walk through of the collocated space with Covad. Should Covad note any deviations from the plan agreed upon by GTE and Covad at the customer meeting, and if such deviations were not requested by Covad or not required by law, GTE shall correct such deviations at its own expense within five (5) Business Days.
- 1.12 Connection Equipment. Covad may provision equipment for the connection of Covad termination equipment to GTE equipment using either of the following methods:
- 1.12.1 Covad may extend an electrical or optical cable from the terminal within Covad's collocation cage and terminate that cable at GTE's network.
 - 1.12.2 Covad may install a patch panel within its collocation cage and then hand the cabling to GTE to extend to and have GTE terminate that cable at GTE's network.
- 1.13 Access to Covad Collocation Space. The terms and conditions of access to Covad's collocation space shall be as set forth in applicable GTE state and federal EIS tariffs. Additionally, GTE agrees that the following terms and conditions shall apply to access:
- 1.13.1 GTE shall implement adequate measures to control access to collocation cages.
 - 1.13.2 Collocation space shall comply with all applicable fire and safety codes.
 - 1.13.3 Doors with removable hinges or inadequate strength shall be monitored by an alarm connected to a manned site. All other alarms monitoring Covad collocation space provided by GTE shall also be connected to a manned site. Covad may, at its option, provide its own intrusion alarms for its collocated space.
 - 1.13.4 GTE shall control janitorial access to collocation cages, and restrict such access to approved and certified employees, agents or contractors.
 - 1.13.5 GTE shall establish procedures for access to collocation cages by GTE and non-GTE emergency personnel, and shall not allow access by security guards unless such access comports with this section and is otherwise allowed under applicable GTE state and federal EIS tariffs.
 - 1.13.6 GTE shall retain a master key to Covad's collocation space for use only in event of emergency as detailed in applicable GTE state and federal tariffs. At Covad's option, the Parties shall review key control procedures no more frequently than once in any twelve month period. At any time, Covad may elect to change keys if it suspects key control has been lost, provided, however, that GTE will be provided with a master key in accord with this section.

1.13.7 Not more frequently than once a year, Covad may audit the security and access procedures and equipment applicable to its collocated space and the central office housing the collocation space. Access by personnel necessary to conduct such an audit shall be limited as set forth in applicable GTE state and federal EIS tariffs. Should Covad identify deficiencies in security and access procedures and equipment as a result of such audit, the cost, terms and conditions of the correction of such deficiencies shall be negotiated in good faith between the parties.

1.14 Subleasing Space. Covad may sublease collocation space within a collocation cage to other CLECs in lieu of the other CLECs acquiring collocation floor space from GTE. Subleasing is applicable only to collocation floor space. Lessees are required to establish a collocation arrangement with GTE, subject to the terms and conditions of applicable collocation tariffs and contracts, for collocation services other than floor space. Covad will be responsible for all costs associated with the floor space including building modification, environmental conditioning, cage construction, etc. Covad may negotiate its own subleasing terms with the lessee. GTE will not be involved in negotiating such terms. Covad will be GTE's single point of contact for activities associated with subleased space.

2. Virtual Collocation. Subject to Section 1 of this Article IX, GTE will provide virtual collocation for purposes of interconnection or access to UNEs pursuant to the terms and conditions in the applicable GTE federal and state EIS tariffs. In addition, GTE agrees that the terms and conditions set forth in this Section 2 shall apply to virtual collocation provided to Covad.

2.1 Existing Virtual Collocation. If, on the effective date of this Agreement, Covad is virtually collocated in a GTE premise, Covad may (i) elect to retain its virtual collocation arrangement in that premise or (ii) unless it is not practical for technical reasons or because of space limitations, convert its virtual collocation arrangement at that premise to physical collocation. If Covad elects the latter option, Covad's request shall be treated as a new physical collocation request and Covad shall pay GTE at the applicable tariff rates for construction and rearrangement of Covad's equipment as well as all applicable tariffed physical collocation recurring charges.

2.2 Vendors. Choice of vendors for equipment used for virtual collocation shall be under the terms and conditions set forth in the applicable GTE federal and state EIS tariff. Upon request by Covad, GTE shall provide a list of locally qualified vendors approved for the type of equipment to be collocated.

2.3 Inspection. Upon provision of virtual collocation by GTE, the Parties shall agree on a mutually acceptable schedule whereby Covad may inspect the equipment in its virtual collocation space.

ARTICLE X
ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS-OF-WAY

To the extent required by the Act, GTE and Covad shall each afford to the other access to the poles, ducts, conduits and ROWs it owns or controls on terms, conditions and prices comparable to those offered to any other entity pursuant to each Parties tariffs and/or standard agreements. Accordingly, GTE and Covad shall execute pole attachment and conduit occupancy agreements in the form set forth in Appendices H and I. Covad agrees that Appendices H and I must be executed separately before it makes any attachments to GTE facilities or uses GTE'S conduit according to the terms of such Appendices and this Agreement. Unauthorized attachments or unauthorized use of conduit will be a breach of this agreement.

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

GTE FLORIDA INCORPORATED

d/b/a DECA COMMUNICATIONS, INC.
COVAD COMMUNICATIONS COMPANY

By Connie Nicholas

By Dhrum Khanna

Name Connie Nicholas

Name DHRUM KHANNA

Title Assistant Vice President

Title EVP - General Counsel

Wholesale Markets-Interconnection
Date April 14, 1999

Date 4/19/99

APPROVED AS TO FORM BY
LEGAL DEPARTMENT

[Signature]

APPENDIX A
RATES AND CHARGES FOR
TRANSPORT AND TERMINATION OF TRAFFIC

General. The rates contained in this Appendix A are the rates as defined in Article V and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Certain rates in this Appendix may be superseded by the provisions in Article III, Section 46, and Appendices 46A and 46B.

Each Party will bill the other Party as appropriate:

- A. The Local Interconnection rate element that applies to Local Traffic on a minute of use basis that each Party switches for termination purposes at its wire centers. The local interconnection rate is **\$0.0054003**.
- B. The Tandem Switching rate element that applies to tandem routed Local Traffic on a minute of use basis. The tandem switching rate is **\$0.0041595**.
- C. The Common Transport Facility rate element that applies to tandem routed Local Traffic on a per minute/per mile basis. The Common Transport Facility rate is **\$0.0000055**.
- D. The Common Transport Terminal element that applies to tandem routed Local Traffic on a per minute/per termination basis. The Common Transport Termination rate is **\$0.0000900**.
- E. The Tandem Transiting Charge is comprised of the following rate elements:

Tandem Switching:	=	\$0.0041595
Tandem Transport (10 mile average): 10 x \$0.0000055	=	\$0.0000550
Transport Termination (2 Terminations): 2 x \$0.0000900	=	\$0.0001800
Transiting Charge:	=	\$0.0043945
- F. Initial Factors:

(1) PLU		95%
(2) Initial Proportionate Share Factor		50%
(3) Exempt Factor		5%

APPENDIX B
RATES AND CHARGES FOR INTERIM NUMBER PORTABILITY USING RCF

General. The rates contained in this Appendix B are as defined in Article V, Section 7, and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Interim Number Portability

Remote Call Forwarding	\$ 5.10 line/month
Simultaneous Call Capability	\$ 3.10 path/month

Non-recurring Charges

Initial Service Order	\$ 41.58
Subsequent Service Order	\$ 29.73

In addition, as defined in Article V, Section 3.2.3, the Party providing the ported number will pay the other Party the following rate per line per month for each ported business line and the rate per line per month for each ported residential line for the sharing of Access Charges on calls to ported numbers.

Business Rate Per Line Per Month:	\$ 3.51
Residential Rate Per Line Per Month:	\$ 2.77

APPENDIX C
SERVICES AVAILABLE FOR RESALE

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

Certain rates in this Appendix may be superseded by the provisions in Article III, Section 46, and Appendices 46A and 46B.

The avoided cost discount for all services, excluding OS/DA, is 13.04%.

Non-Recurring Charges (NRCs) for Resale Services

Initial Service Order (per order)	\$ 42.50
Transfer of Service Charges (per order)	\$ 21.62
Subsequent Service Order (per order)	\$ 19.55
Customer Record Search Per Account	\$ 11.69
Resale Line Installation (per line)	\$ 12.21
Outside Facility Connection Charge*	\$ 68.30

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

Universal Service Fund (USF) Support Structure	
Residential (per line)	\$ TBD
Business (per line)	\$ TBD

APPENDIX D
PRICES FOR UNBUNDLED NETWORK ELEMENTS

General. The rates contained in this Appendix D are the rates as defined in Article VII and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation. GTE will offer unbundled loops and ports under the following conditions:

Certain rates in this Appendix may be superseded by the provisions in Article III, Section 46, and Appendices 46A and 46B.

Loop Elements

2 Wire Analog Loop (inclusive of NID)	\$ 28.62
4 Wire Analog Loop (inclusive of NID)	\$ 45.13
2 Wire Digital Loop (inclusive of NID)	\$ 28.62
4 Wire Digital Loop (inclusive of NID)	\$ 45.13
DS-1 Loop	\$ 124.40
DS-3 Loop	\$1,639.30
Mid-Span Repeaters	\$ 49.85

Network Interface Device (leased separately)

Basic NID	\$.78
Complex (12 x) NID	\$ 2.10

Port and Switching Elements

Ports

Basic Analog Line Side Port	\$ 6.94
Coin Line Side Port	\$ 14.09
ISDN BRI Digital Line Side Port	\$ 32.08
DS-1 Digital Trunk Side Port	\$ 206.89
ISDN PRI Digital Trunk Side Port	\$ 302.73

Local Central Office Switching \$0.0053073

Shared Transport

Transport Termination MOU/Term	\$0.0001357
Transport Facility MOU/mile	\$0.0000021
Tandem Switching MOU	\$0.0013681

Vertical Features See Attached List

Dedicated Transport

CLEC Dedicated Transport	
2 Wire Voice	\$ 33.08
4 Wire Voice	\$ 52.93
DS1 per System	\$ 250.00
DS3 (Optical Interface)	\$ 937.50
Interoffice Dedicated Transport	
DS0 Transport Facility per ALM	\$ 0.08
DS0 Transport Termination	\$ 19.90
DS1 Transport Facility per ALM	\$ 2.26
DS1 Transport Termination	\$ 36.50
DS3 Transport Facility per ALM	\$ 42.44
DS3 Transport Termination	\$ 305.62
Multiplexing	
DS1 to Voice Multiplexing	\$ 452.79
DS3 to DS1 Multiplexing	\$ 323.48
Ancillary	
DS3 Electrical Interface	\$1,250.00

Databases and Signaling Systems

Signaling Links and STP	
56 Kbps Links	See GTOC1 Tariff
DS-1 Link	See GTOC1 Tariff
Signal Transfer Point (STP) Port Term	See GTOC1 Tariff
Call Related Databases	
Line Information Database (ABS-Queries)	See GTOC1 Tariff
Toll Free Calling Database (DB800 Queries)	See GTOC1 Tariff

Universal Service Support Surcharge

Per Loop	\$ TBD
Per Port	\$ TBD

Non-Recurring Charges (NRCs) for Unbundled Services

Service Ordering	
Initial Service Order, per order	\$ 49.31
Subsequent Service Order, per order	\$ 25.67
Customer Service Record Search, per request	\$ 11.69
Installation	
Unbundled Loop, per loop	\$ 12.21
Unbundled Port, per port	\$ 12.21
Loop Facility Charge, per order	\$ 68.30

This charge will apply when field work is required for establishment of new unbundled loop service.

FLORIDA UNBUNDLED VERTICAL FEATURES

VERTICAL FEATURES		(Subject to Availability)
Three Way Calling	\$/Feature/Month	\$1.87
Call Forwarding Variable	\$/Feature/Month	\$0.31
Cust. Changeable Speed Calling 1-Digit	\$/Feature/Month	\$0.25
Cust. Changeable Speed Calling 2-Digit	\$/Feature/Month	\$0.33
Call Waiting	\$/Feature/Month	\$0.25
Cancel Call Waiting	\$/Feature/Month	\$0.25
Automatic Callback	\$/Feature/Month	\$0.31
Automatic Recall	\$/Feature/Month	\$0.25
Calling Number Delivery	\$/Feature/Month	\$0.40
Calling Number Delivery Blocking	\$/Feature/Month	\$0.25
Distinctive Ringing / Call Waiting	\$/Feature/Month	\$0.27
Customer Originated Trace	\$/Feature/Month	\$0.25
Selective Call Rejection	\$/Feature/Month	\$0.39
Selective Call Forwarding	\$/Feature/Month	\$0.42
Selective Call Acceptance	\$/Feature/Month	\$0.46
Call Forwarding Variable CTX	\$/Feature/Month	\$0.27
Call Forwarding Incoming Only	\$/Feature/Month	\$0.26
Call Forwarding Within Group Only	\$/Feature/Month	\$0.25
Call Forwarding Busy Line	\$/Feature/Month	\$0.25
Call Forwarding Don't Answer All Calls	\$/Feature/Month	\$0.25
Remote Call Forward	\$/Feature/Month	\$4.05
Call Waiting Originating	\$/Feature/Month	\$0.25
Call Waiting Terminating	\$/Feature/Month	\$0.25
Cancel Call Waiting CTX	\$/Feature/Month	\$0.25
Three Way Calling CTX	\$/Feature/Month	\$0.75
Call Transfer Individual All Calls	\$/Feature/Month	\$0.27
Add-on Consultation Hold Incoming Only	\$/Feature/Month	\$0.25
Speed Calling Individual 1-Digit	\$/Feature/Month	\$0.25
Speed Calling Individual 2-Digit	\$/Feature/Month	\$0.25
Direct Connect	\$/Feature/Month	\$0.25
Distinctive Alerting / Call Waiting Indicator	\$/Feature/Month	\$0.25
Call Hold	\$/Feature/Month	\$0.33
Semi-Restricted (Orig/Term)	\$/Feature/Month	\$2.39
Fully-Restricted (Orig/Term)	\$/Feature/Month	\$2.37
Toll Restricted Service	\$/Feature/Month	\$0.56
Call Pick-up	\$/Feature/Month	\$0.25
Directed Call Pick-up w/Barge-In	\$/Feature/Month	\$0.25
Directed Call Pick-up w/o Barge-In	\$/Feature/Month	\$0.25

VERTICAL FEATURES		(Subject to Availability)
Special Intercept Announcements	\$/Feature/Month	\$16.68
Conference Calling - 6-Way Station Cont.	\$/Feature/Month	\$2.30
Station Message Detail Recording	\$/Feature/Month	\$0.72
Station Message Detail Recording to Premises	\$/Feature/Month	\$2.56
Fixed Night Service - Key	\$/Feature/Month	\$2.73
Attendant Camp-on (Non-DI Console)	\$/Feature/Month	\$1.56
Attendant Busy Line Verification	\$/Feature/Month	\$3.36
Control of Facilities	\$/Feature/Month	\$0.25
Fixed Night Service - Call Forwarding	\$/Feature/Month	\$0.60
Attendant Conference	\$/Feature/Month	\$9.85
Circular Hunting	\$/Feature/Month	\$0.25
Preferential Multiline Hunting	\$/Feature/Month	\$0.25
Uniform Call Distribution	\$/Feature/Month	\$0.25
Stop Hunt Key	\$/Feature/Month	\$0.25
Make Busy Key	\$/Feature/Month	\$6.12
Queuing	\$/Feature/Month	\$1.17
Automatic Route Selection	\$/Feature/Month	\$1.42
Facility Restriction Level	\$/Feature/Month	\$0.56
Expansive Route Warning Tone	\$/Feature/Month	\$0.25
Time-of-Day Routing Control	\$/Feature/Month	\$1.45
Foreign Exchange Facilities	\$/Feature/Month	\$6.49
Anonymous Call Rejection	\$/Feature/Month	\$5.30
Basic Business Group Sta-Sta ICM	\$/Feature/Month	\$11.20
Basic Business Group CTX	\$/Feature/Month	\$0.50
Basic Business Group DOD	\$/Feature/Month	\$0.25
Basic Business Auto ID Outward Dialing	\$/Feature/Month	\$0.25
Basic Business Group DID	\$/Feature/Month	\$0.25
Business Set Group Intercom All Calls	\$/Feature/Month	\$6.46
Dial Call Waiting	\$/Feature/Month	\$0.25
Loudspeaker Paging	\$/Feature/Month	\$4.15
Recorded Telephone Dictation	\$/Feature/Month	\$6.54
On-Hook Queuing for Outgoing Trunks	\$/Feature/Month	\$0.28
Off-Hook Queuing for Outgoing Trunks	\$/Feature/Month	\$0.25
Teen Service	\$/Feature/Month	\$0.25
Bg - Automatic Call Back	\$/Feature/Month	\$0.25
Voice/Data Protection	\$/Feature/Month	\$0.25
Authorization Codes for Afr	\$/Feature/Month	\$0.25
Account Codes for Afr	\$/Feature/Month	\$0.30
Code Restriction Diversion	\$/Feature/Month	\$0.28

VERTICAL FEATURES		(Subject to Availability)
Code Calling	\$/Feature/Month	\$7.34
Meet-Me Conference	\$/Feature/Month	\$263.55
Call Park	\$/Feature/Month	\$0.25
Executive Busy Override	\$/Feature/Month	\$0.25
Last Number Redial	\$/Feature/Month	\$0.25
Direct Inward System Access	\$/Feature/Month	\$0.25
Authorization Code Immediate Dialing	\$/Feature/Month	\$0.25
Bg - Speed Calling Shared	\$/Feature/Month	\$0.25
Attendant Recall from Satellite	\$/Feature/Month	\$4.05
Bg - Speed Calling 2-Shared	\$/Feature/Month	\$0.25
Business Set - Call Pick-up	\$/Feature/Month	\$0.25
Authorization Code for Mdr	\$/Feature/Month	\$0.25
Locked Loop Operation	\$/Feature/Month	\$0.25
Attendant Position Busy	\$/Feature/Month	\$5.43
Two-Way Splitting	\$/Feature/Month	\$6.37
Call Forwarding - All (Fixed)	\$/Feature/Month	\$0.36
Business Group Call Waiting	\$/Feature/Month	\$0.25
Music on Hold	\$/Feature/Month	\$253.72
Automatic Alternate Routing	\$/Feature/Month	\$0.43
DTMF Dialing	\$/Feature/Month	\$0.25
BG DTMF Dialing	\$/Feature/Month	\$0.25
Business Set Access to Paging	\$/Feature/Month	\$2.46
Call Flip-Flop (Ctx-A)	\$/Feature/Month	\$0.46
Selective Calling Waiting (Class)	\$/Feature/Month	\$0.33
Direct Inward Dialing	\$/Feature/Month	\$8.93
Customer Dialed Account Recording	\$/Feature/Month	\$0.90
Deluxe Automatic Route Selection	\$/Feature/Month	\$40.91
MDC Attendant Console	\$/Feature/Month	\$144.60
Warm Line	\$/Feature/Month	\$0.25
Calling Name Delivery	\$/Feature/Month	\$0.25
Call Forwarding Enhancements	\$/Feature/Month	\$0.25
Caller ID Name and Number	\$/Feature/Month	\$0.74
InContact	\$/Feature/Month	\$3.79
Call Waiting ID	\$/Feature/Month	\$0.25
Att'd ID on Incoming Calls	\$/Feature/Month	\$1.44
Privacy Release	\$/Feature/Month	\$0.25
Display Calling Number	\$/Feature/Month	\$0.25
Six-Port Conference	\$/Feature/Month	\$45.51
Business Set Call Back Queuing	\$/Feature/Month	\$0.25

ISDN Code Calling - Answer	\$/Feature/Month	\$0.25
VERTICAL FEATURES		(Subject to Availability)
Att'd Call Park	\$/Feature/Month	\$0.96
Att'd Autodial	\$/Feature/Month	\$0.35
Att'd Speed Calling	\$/Feature/Month	\$0.63
Att'd Console Test	\$/Feature/Month	\$0.25
Att'd Delayed Operation	\$/Feature/Month	\$0.25
Att'd Lockout	\$/Feature/Month	\$0.25
Att'd Multiple Listed Directory Numbers	\$/Feature/Month	\$0.25
Att'd Secrecy	\$/Feature/Month	\$0.29
Att'd Wildcard Key	\$/Feature/Month	\$0.25
Att'd Flexible Console Alerting	\$/Feature/Month	\$0.25
Att'd VFG Trunk Group Busy on Att'd Console	\$/Feature/Month	\$0.25
Att'd Console Act/Deact of CFU/CFT	\$/Feature/Month	\$0.61
Att'd Display of Queued Calls	\$/Feature/Month	\$0.25
Att'd Interposition Transfer	\$/Feature/Month	\$0.25
Att'd Automatic Recall	\$/Feature/Month	\$0.25

APPENDIX E
RATES AND CHARGES FOR 911/E-911 ARRANGEMENTS

I. The following services are offered by GTE for purchase by **CLEC for UNEs or Interconnection, where an individual item is not superseded by a tariffed offering.

	<u>NRC</u>	<u>MRC</u>
<p>A. 9-1-1 Selective Router Map</p> <p>Provided is a color map showing a selective router's location and the GTE central offices that send 9-1-1 calls to it. The selective router and central office information will include CLLI codes and NPA/NXXs served. The map will include boundaries of each central office and show major streets and the county boundary. Permission to reproduce by **CLEC for its internal use is granted without further fee. Non-tariffed price.</p>	<p>\$125.00</p>	<p>N/A</p>
<p>B. 9-1-1 Selective Router Pro-Rata Fee/trunk</p> <p>This fee covers the cost of selective routing switch capacity per trunk to cover investment to handle the additional capacity without going to the 9-1-1 districts for additional funding.</p>	<p>\$0</p>	<p>\$100.77</p>
<p>C. PS ALI Software</p> <p>A personal computer software program running on Windows 3.1™ for formatting subscriber records into NENA Version #2 format to create files for uploading to GTE's ALI Gateway. Fee includes software, warranty and 1 800 872-3356 support at no additional cost.</p>	<p>\$790.80</p>	
<p>D. ALI Gateway Service</p> <p>Interface for delivery of ALI records to GTE's Data Base Management System. This provides a computer access port for **CLEC to transmit daily subscriber record updates to GTE for loading into ALI databases. It includes support at 1 800 872-3356 at no additional cost.</p>	<p>\$135.00</p>	<p>\$36.12</p>
<p>E. 9-1-1 Interoffice Trunk</p> <p>This is a tariffed offering, to be found in each state's Emergency Number Service Tariff.</p>	<p>Tariff</p>	<p>Tariff</p>
<p>F. ALI Database</p> <p>This is a tariffed offering, to be found in each state's Emergency Number Service Tariff.</p>	<p>Tariff</p>	<p>Tariff</p>

	<u>NRC</u> Tariff	<u>MRC</u> Tariff
G. Selective Router Database per Record Charge		
Fee for each ALI record used in a GTE selective router. This is a tariffed offering, to be found in each state's Emergency Number Service Tariff.		
H. MSAG Copy		
Production of one copy of a 9-1-1 Customer's Master Street Address Guide, postage paid.		
a. Copy provided in paper format	\$238.50	\$54.00
b. Copy provided in flat ASCII file on a 3½" diskette	\$276.00	\$36.00
II. The following services are offered by GTE when **CLEC resells GTE's local exchange services, where an item is not superseded by a tariffed offering:		
A. 911 Selective Router Map	\$125.00	N/A
Provided is a color map showing a selective router's location and the GTE central offices that send their 911 call to it. The selective router and central office information will include CLLI codes and NPA/NXXs served. The map will include boundaries of each central office and show major streets and the county boundary. Permission to reproduce by **CLEC for its internal use is granted without further fee. Non-tariffed price.		
B. MSAG Copy		
Production of one copy of a 911 Customer's Master Street Address Guide, postage paid		
1. Copy provided in proper format	\$238.50	\$ 54.00
2. Copy provided in flat ASCII file on a 3-1/2" diskette	\$276.00	\$ 36.00

APPENDIX F
SERVICE ORDERING, PROVISIONING, BILLING AND MAINTENANCE

1. Service Ordering, Service Provisioning, and Billing Systems Generally. The following describes generally the operations support systems that GTE will use and the related functions that are available for ordering, provisioning and billing for resold services, interconnection facilities and services and UNEs. Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance shall be governed by the GTE Guide. Before orders can be taken, Covad will provide GTE with its Operating Company Number (OCN) and Company Code (CC) as follows:
 - a. Covad must provide its OCN (four-digit alpha-numeric assigned by NECA or number administrator) on the Covad Profile. The GTE Guide provides the necessary information for Covad to contact NECA to obtain the OCN. There are no optional fields on the Profile.
 - b. Before the LSR and Directory Service Request (DSR) order forms can be processed Covad must provide the OCN and Customer Carrier Name Abbreviation (CCNA).
- 1.1 Operations Support Systems for Trunk-Side Interconnection
 - 1.1.1 Covad will be able to order trunk-side interconnection services and facilities from GTE through a direct electronic interface over the GTE Network Data Mover (NDM) in a nondiscriminatory manner. Orders for trunk-side interconnection will be initiated by an ASR sent electronically by Covad over the NDM. ASRs for trunk-side interconnection will be entered electronically into GTE's Carrier Access Management System (CAMS) to validate the request, identify any errors, and resolve any errors back to Covad. CAMS is a family of GTE systems comprised primarily of EXACT/TUF, SOG/SOP, and CABS.
 - 1.1.2 The use of CAMS to support Covad's requests for trunk-side interconnection will operate in the following manner: GTE will route the ASR through its data center to one of two National Access Customer Centers (NACC). The ASR will be entered electronically into the EXACT/TUF system for validation and correction of errors. Errors will be referred back to Covad. Covad then will correct any errors that GTE has identified and resubmit the request to GTE electronically through a supplemental ASR, without penalty or charge (e.g., order modification charge) to Covad. Similarly, errors committed by GTE subsequent to the receipt of a valid ASR from Covad will be expeditiously identified and corrected by GTE without the need for Covad's submission of a supplemental ASR. GTE then will translate the ASR into a service order for provisioning and billing. In order to convert the ASR into a service order, GTE personnel must apply the necessary elements to provision the service and include the billable elements necessary for GTE to bill Covad for the services provided. This application also requires a determination of the access tandem to end office relationships with the service requested.
 - 1.1.3 At the next system level, translated service orders will be distributed electronically through the SOG/SOP systems to several destinations. The SOG/SOP system will begin the actual provisioning of the service for Covad. Other GTE provisioning systems are CNAS and ACES. The GTE

Database Administrative Group (DBA) and the Special Services Control Center (SSCC) will be the two most important destinations at this level. The DBA location will identify codes for the appropriate GTE switch in order to provide the functions required by the ASR. The SSCC will provide the engineering for the facilities over which the services will be handled. Information from these two groups (and others) then will be transmitted electronically to GTE's field service personnel (Customer Zone Technicians or "CZTs") who will establish the trunks and facilities, thus connecting the GTE facilities to a connecting company, if one is required, and to Covad. GTE's CZTs also will contact Covad directly to perform testing, and upon acceptance by Covad, will make the necessary entries into the GTE system to complete the order. The completed orders then will pass to GTE's Carrier Access Billing System (CABS) which will generate the bill to Covad. The billing process under CABS requires coordination with several other systems.

- 1.1.4 Billing for transport and termination services cannot be accomplished without call records from GTE's central office switches. Records of usage will be generated at GTE's end office switches or the access tandems. Call usage records will be transmitted electronically from GTE's switches through GTE's Billing Intermediate Processor (BIP). This system will collect the call records, perform limited manipulations to the record and transfer them to a centralized data center where they will be processed through the Universal Measurement System ("UMS") to determine the validity and accuracy of the records. UMS also will sort the records and send them to the CABS billing system, from which GTE will produce a bill and send it to Covad.

1.2 Operations Support Systems for Resold Services and Unbundled Elements

- 1.2.1 Covad will also be able to order services for resale and UNEs, as well as interim number portability, directly from GTE through an electronic interface. To initiate an order for these services or elements, Covad will submit an LSR from its data center to GTE's Data Center using the same electronic NDM interface used for trunk-side interconnection. If no NDM interface exists or if Covad chooses to establish a separate NDM interface, Covad must request an NDM facility. For new entrants that elect not to interface electronically, GTE will accommodate submission of LSR orders by facsimile, E-mail, Internet or a dial NDM arrangement. An LSR is very similar to an ASR, except that it will be used exclusively for line-side interconnection requests. GTE will transfer LSRs to GTE's NOMC centralized service order processing center electronically.
- 1.2.2 Most LSRs will be used either to transfer an existing GTE customer to Covad or to request service for a new customer who is not an existing GTE customer. Depending on the situation, different information will be required on the LSR. LSRs for a conversion of a GTE local customer to Covad must include information relating to all existing, new and disconnected services for that customer, including the customer's name, type of service desired, location of service and features or options the customer desires. Covad will be able to obtain this customer information after GTE has received the customer's written consent as specified in Article IV, Section 8. For service to a new customer who is not an existing GTE customer, the LSR must contain the customer's name, service address, service type, services,

options, features and CLEC data. If known, the LSR should include the telephone number and due date/desired due date.

- 1.2.3 While Covad would have its own customer information and may have the SAG/GTE products on tape from GTE, Covad would not have the due date or new telephone number for new customers since that information is contained in GTE's systems. Therefore, a process is required to provide this information to Covad. GTE itself does not have uniform access to this information electronically. Until GTE and Covad have agreed and established electronic interfaces, Covad agrees that an 800 number is the method that will be used. The 800 telephone number will connect Covad directly to GTE's NOMC service representatives. When Covad receives a request for basic services from a new local service customer, Covad will call GTE's NOMC through the 800 number, and, while the new customer is on hold, GTE will provide the due date for service and the new telephone number for that customer. At the same time, Covad will give GTE the new customer's name, service address and type of requested service (i.e., R1, B1). GTE will enter that information into its SORCES or SOLAR service ordering systems to be held in suspense until Covad sends the confirming LSR. Covad will then return to its customer holding on the line and provide the due date and new telephone number.
- 1.2.4 After concluding the telephone call with the new customer, Covad will complete a confirming LSR for the new service and send it electronically to GTE's data center for processing. Upon receipt, GTE will match the LSR with the service order suspended in GTE's system, and if there is a match, GTE will process the LSR. After the LSR is processed, GTE will transmit confirmation electronically to Covad through the NDM that the LSR has been processed, providing a record of the telephone number and due date. Covad will be required to submit the confirming LSR by 12:00 p.m. each day local time, as defined by the location of the service address. If Covad fails to submit the LSR in a timely manner, the suspended LSR will be considered in jeopardy, at which time GTE will assign a new due date upon receipt of the delayed LSR for such customer requests and notify Covad of the change.
- 1.2.5 Number assignments and due date schedules for services other than single line service and hunt groups up to 12 lines will be assigned within approximately twenty-four (24) hours after GTE's receipt of the LSR using the standard Local Service Confirmation (LSC) report sent electronically to Covad over the NDM, thereby providing a record of the newly established due date. An exception would be a multi-line hunt group for 12 lines or fewer. The other numbers then will be provided through the normal electronic confirmation process.
- 1.2.6 The processing of specifically requested telephone numbers (called "vanity numbers") is as follows. GTE will work with Covad on a real time interface to process vanity numbers while Covad's customer is still on the line. If a number solution can be established expeditiously, it will be done while the customer is still on the line. If extensive time will be required to find a solution, GTE service representatives will work with Covad representatives off line as GTE would for its own customers. For all of this, the basic tariff guidelines for providing telephone numbers will be followed.

- 1.2.7 Once the order for line-side interconnection service is established, it is moved for provisioning to the next system level. Here, GTE will validate and process the LSR to establish an account for Covad and, if GTE continues to provide some residual services to the customer, GTE will maintain a GTE account. In GTE's system, GTE's account is called the Residual Account and Covad's account is referred to as the Covad Account. If any engineering for the service is necessary, the account would be distributed to the SSCC. Otherwise, it will be distributed for facility assignment.
- 1.2.8 With the account established and any engineering and facility assignment complete, GTE then will transmit electronically a record to GTE's CZT field personnel if physical interconnection or similar activity is required. The CZTs will provision the service and then electronically confirm such provision in the SOLAR/SORCES system when completed. The accounts then will be transmitted to GTE's Customer Billing Services System ("CBSS"). GTE shall provide to Covad a service completion report. Call records for actual service provided to Covad's customers on GTE facilities will be transmitted from GTE's switches through some usage rating systems (BIP, UMS), screened and eventually delivered to CBSS for the generation of bills.
- 1.2.9 CBSS is a different system than CABS, and it is the one that GTE will utilize to produce the required bills for resold services, unbundled elements and local number portability. CBSS will create a bill to Covad for resold services and unbundled elements along with a summary bill master. Daily unrated records for intraLATA toll usage and local usage (in collect usage data will be provided on rated basis) on Covad's accounts will be generated and transmitted electronically to Covad. At such time that GTE transitions to the industry standard CABS format billing, GTE shall offer such CABS billing to Covad. Until such time, GTE may continue offering CBSS.
- 1.2.10 On resale and UNE port accounts, GTE will provide usage in EMR format per existing file exchange schedules. The usage billing will be in agreed upon level of detail for Covad to issue a bill to its end users.
- 1.2.11 GTE will provide Covad with detailed monthly billing information in a paper format until an agreed upon Electronic Data Interchange 811 electronic bill format is operational.
- 1.2.12 State or sub-state level billing will include up to ten (10) summary bill accounts.
- 1.2.13 GTE accepts Covad's control reports and agrees to utilize industry standard return codes for unbillable messages. Transmission will occur via the NDM. Tape data will conform to Attachment "A" of the LRDR. Data will be delivered Monday through Friday except for Holidays as agreed. Data packages will be tracked by invoice sequencing criteria. GTE contacts will be provided for sending/receiving usage files.
- 1.2.14 GTE will retain data backup for 45 Business Days. To the extent this retention is exclusively for Covad, Covad shall reimburse GTE for all expenses related to this retention.

- 1.2.15 In addition to the LSR delivery process, Covad will distribute directory assistance and directory listing information (together sometimes referred to hereafter as "DA/DL information") to GTE via the LSR ordering process over the NDM. GTE will provide listings service via its "listing continuity" offering.
- 1.2.16 Charges and credits for PIC changes ordered via an LSR will appear on the resale bill. As Covad places a request for a PIC change via LSR, the billing will be made on Covad account associated with each individual end user. GTE will process all PIC changes from IXCs that are received for Covad end users by rejecting back to the IXC with Covad OCN. Detail is provided so that Covad can identify the specific charges for rebilling to its end user.
- 1.2.17 Centralized Message Distribution System (CMDS). The parties will provide for the distribution of intraLATA CMDS incollect messages and/or selected local measured service messages as follows:
- 1.2.17.1 Messages to be Screened. GTE receives CMDS I transmissions containing intraLATA incollect messages from the state RBOC CMDS host each Business Day. Per Covad's request, GTE will screen the incollects by NPA and line number and accumulate the Collect, Third Number Billed and Credit Card (collectively called incollects) messages in a data file. The screening will be for end users who have chosen Covad as their local service provider through a Resale or Unbundled Network arrangement. The screened incollect messages and any Local Measured Service (LMS) usage will be accumulated and forwarded to Covad. The Parties will mutually agree on the frequency of the data exchange and the method of transmission (i.e., magnetic tape or direct electronic transmission). GTE will forward the screened messages in the industry standard EMR format. GTE intraLATA toll messages that are recorded by GTE and dialed on a one plus or zero plus basis are not part of this section and will not be screened.
- 1.2.17.2 Compensation. GTE will bill Covad monthly for all services related to the screening, accumulating, processing and transmitting of incollect messages and LMS usage, if applicable, at a reasonable and mutually agreeable charge. In addition, any message processing fee associated with Covad's incollect messages that are charged to GTE by the CMDS Host will be passed on to Covad on the monthly statement. All revenue, surcharges, taxes and any other amounts due to the CMDS Host for Covad's incollect messages will be billed on the monthly statement. It is Covad's responsibility to bill and collect all incollect and LMS amounts due from its end users. The incollect and LMS revenue amounts that are listed on the monthly invoice are payable to GTE in total. The Parties agree that the arrangement for invoicing the incollect and LMS revenue amounts due GTE is not a settlement process with Covad.
- 1.2.17.3 Administration. The Parties agree to develop a process whereby Covad's end user information is available in a timely

manner to allow GTE to build tables to screen the CMDS incollect files and LMS files on behalf of Covad.

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

1.3 Order Processing.

- 1.3.1 Order Expectations. Covad agrees to warrant to GTE that it is a certified provider of telecommunications service. Covad will document its Certificate of Operating Authority on the Covad Profile and agrees to update this Covad Profile as required to reflect its current certification. The Parties agree to exchange and to update end user contact and referral numbers for order inquiry, trouble reporting, billing inquiries, and information required to comply with law enforcement and other security agencies of the government. The Parties also agree to exchange and to update internal order, repair and billing point of contacts. Prior to submitting an order under this Agreement, Covad shall obtain such documentation as may be required by state and federal laws and regulations.
- 1.3.2 GTE shall provide Covad with a specified customer contact center for purposes of placing service orders and coordinating the installation of services. These activities shall be accomplished by telephone call or facsimile until electronic interface capability has been established. The Parties adopt the OBF LSR and DSR forms for the ordering, confirmation and billing of resale and unbundled services. The Parties adopt the OBF ASR forms for the ordering, confirmation and billing of trunk-side interconnection.
- 1.3.3 GTE will process such service orders during normal operating hours, at a minimum on each Business Day between the hours of 8 a.m. to 8 p.m. Eastern Time and shall implement service orders within the same time intervals used to implement service orders for similar services for its own users.
- 1.3.4 GTE will provide current GTE customer proprietary network information (name, address, telephone number and description of services provided by GTE including PIC and white page directory listing information) as provided in Article VI, Section 3. The return of customer information will be via facsimile or via electronic transmission.

2. Maintenance Systems.

- 2.1 General Overview. If Covad requires maintenance for its local service customers, Covad will initiate a request for repair (sometimes referred to as a "trouble report") by calling GTE's Customer Care Repair Center. During this call, GTE service representatives will verify that the end user is a Covad customer and will then obtain the necessary information from Covad to process the trouble report. While Covad representatives are still on the line, GTE personnel will perform an initial analysis of the problem and remote line testing for resale services. If engineered services are involved, the call will be made to the GTE SSCC for handling. If no engineering is required and the line testing reveals that the trouble can be repaired remotely, GTE personnel will correct the problem and close the trouble report while Covad

representatives are still on the line. If on-line resolution is not possible, GTE personnel will provide Covad representatives a commitment time for repair, and the GTE personnel then will enter the trouble ticket into the GTE service dispatch queue. Covad's repair service commitment times will be within the same intervals as GTE provides to its own end users. Maintenance and repair of GTE facilities is the responsibility of GTE and will be performed at no incremental charge to Covad. If, as a result of Covad-initiated trouble report, trouble is found to be the responsibility of Covad (e.g., non-network cause) GTE will charge Covad for trouble isolation. Covad will have the ability to report trouble for its end users to appropriate trouble reporting centers 24 hours a day, 7 days a week. Covad will be assigned a customer contact center when initial service agreements are made.

- 2.2 Repair calls to the SSCC for engineered services will be processed in essentially the same manner as those by the GTE Customer Care Center. GTE personnel will analyze the problem, provide the Covad representative with a commitment time while they are still on the line, and then place the trouble ticket in the dispatch queue.
- 2.3 GTE then will process all Covad trouble reports in the dispatch queue along with GTE trouble reports in the order they were filed (first in, first out), with priority given to out-of-service conditions. If, at any time, GTE would determine that a commitment time given to Covad becomes in jeopardy, GTE service representatives will contact Covad by telephone to advise of the jeopardy condition and provide a new commitment time.
- 2.4 Trouble reports in the dispatch queue will be transmitted electronically to GTE CZT service technicians who will repair the service problems and clear the trouble reports. For cleared Covad trouble reports, GTE service technicians will make a telephone call to Covad directly to clear the trouble ticket. GTE service technicians will make the confirmation call to the telephone number provided by Covad. If Covad is unable to process the call or places the GTE technician on hold, the call will be terminated. To avoid disconnect, Covad may develop an answering system, such as voice mail, to handle the confirmation calls expeditiously.
- 2.5 GTE will provide electronic interface access to operation support systems functions which provide the capability to initiate, status and close a repair trouble ticket. GTE will not provide to Covad real time testing capability on Covad end user services. GTE will not provide to Covad an interface for network surveillance (performance monitoring).
- 2.6 Network Management Controls.
 - 2.6.1 Network Maintenance and Management. The Parties will work cooperatively to install and maintain a reliable network.
 - 2.6.2 Neither Party shall be responsible to the other if necessary changes in network configurations render any facilities of the other obsolete or necessitate equipment changes.
 - 2.6.3 Network Management Controls. Each Party shall provide a 24-hour contact number for Network Traffic Management issues to the other's network surveillance management center. A fax number must also be provided to facilitate event notifications for planned mass calling events. Additionally, both Parties agree that they shall work cooperatively that all such events

shall attempt to be conducted in such a manner as to avoid degradation or loss of service to other end users. Each Party shall maintain the capability of respectively implementing basic protective controls such as "Cancel To" and "Call Gap."

3. Electronic Interface. The Parties shall work cooperatively in the implementation of electronic gateway access to GTE operational support systems functions in the long-term in accordance with established industry standards.
 - 3.1 Covad shall have immediate access to the following OSS electronic interfaces that will provide functionality to enable Covad to service customers in an equal and non-discriminatory manner:
 - 3.1.1 Pre-Order functions, e.g., TN Assignment, DD Reservation, Address Validation, Product Availability, that are available on a dial-up or dedicated basis using the Secure Integrated Gateway System (SIGS).
 - 3.1.2 Order functions that are available on a dial-up or dedicated basis using CONNECT: Mail file transfer.
 - 3.1.3 Initial trouble reports via SIGS.
 - 3.1.4 Electronic transfer of the Covad bill in electronic data 811 format.
 - 3.2 Covad may migrate to fully interactive system to system interconnectivity. GTE, with input from Covad and other carriers, shall provide general interface specifications for electronic access to this functionality. These specifications will be provided to enable Covad to design system interface capabilities. Development will be in accordance with applicable national standards committee guidelines. Such interfaces will be available as expeditiously as possible.
 - 3.3 All costs and expenses for any new or modified electronic interfaces exclusively to meet Covad requirements that GTE determines are Currently Available and GTE agrees to develop will be paid by Covad.
 - 3.4 Covad shall be responsible for modifying and connecting any of its pre-ordering and ordering systems with GTE provided interfaces as described in this Appendix.
4. GTE Initiated Electronic System Redesigns. GTE will not charge Covad when GTE initiates its own electronic system redesigns/reconfigurations.

APPENDIX G
SS7 SERVICES

This agreement (Agreement) is between GTE _____ INCORPORATED, a State of _____ corporation having its principal office at _____ ("GTE"), and _____, a corporation of the State of _____, having its principal office at _____ ("Licensee").

**ARTICLE 1.
DEFINITIONS**

In addition to the definitions contained elsewhere in the Agreement to which this Appendix G is attached and made a part, for purposes of this Appendix G the following terms shall have the following meanings.

- 1.1 "A" Link: An access signaling link that connects SPs and/or SSPs to STPs.
- 1.2 "B" Link: A bridge signaling link that connects two (2) sets or pairs of STPs, not the STPs within a mated pair, but on the same hierarchical level.
- 1.3 Compatibility Testing: Certification testing performed by representatives of GTE and Covad to ensure proper interconnection of CCS network facilities for accurate transmission of system signals and messages. This certification testing shall be performed in accordance with the following ANSI documents:
T1.234 Telecommunications - Signaling System Number 7 (SS7) - MTP Levels 2 and 3 Compatibility Testing (ATIS)
T1.235 Telecommunications - Signaling System Number 7 (SS7) - SCCP Class 0 Compatibility Testing (ATIS)
T1.236 Telecommunications - Signaling System Number 7 (SS7) - ISUP Compatibility Testing (ATIS)
- 1.4 Service: The service described in Article 2 of this Appendix.
- 1.5 Signaling Link: An end-to-end high-capacity data link (56 kbps) that transmits supervision and control signals from one network SS7 node to another in a CCS network. The link type identifies the functionality of the signaling link sets. The two link types associated with the Service are "A" Links and "B" Links.
- 1.6 Signaling Point Code (SPC): A code that identifies the Signaling Point address in the CCS network. Signaling Point Codes consist of three (3) segments of three (3) digits each, identifying the network ID, network cluster, and cluster member, respectively.
- 1.7 Signaling Point of Interface (SPOI): The point at which GTE hands off signaling information to Covad.

**ARTICLE 2.
SERVICE DESCRIPTION**

- 2.1 Provision. Subject to the terms and conditions of this Appendix, GTE agrees to provide the Service to Covad.

- 2.2 Interconnection. This Agreement is for Covad's interconnection with GTE at GTE's _____ STPs to support local exchange services. Covad shall not submit signaling messages in support of interexchange services.
- 2.3 Service. The "Service" consists of the following:
- a. Interconnection of GTE's CCS/SS7 network to Covad's CCS/SS7 network is via an "a" Link connection between Covad's Signaling Point (SP) or Service Switching Point (SSP) and GTE's SP. The "A" Link connection is made by a dedicated 56 kbps channel between the SP or SSP and the SP. Any connection from an SSP or an SP to an STP pair will have a link to each individual STP (i.e., two (2) links). Covad and GTE shall mutually agree upon the location of the SPOI.
 - b. Interconnection of GTE's CCS/SS7 network to Covad's CCS/SS7 network via a "B" Link connection between Covad's STPs and GTE's STPs. The "B" Link connection is a dedicated 56 kbps channel. Connections between two (2) pairs of STPs will have four (4) connections; i.e., one (1) link from each individual STP to each individual STP. Covad and GTE shall mutually agree upon the location of the SPOI.
 - c. Local and IntraLATA call set-up signaling, allowing Covad to use the out-of-band trunk signaling provided by GTE's CCS/SS7 network to carry its calls on the intraLATA toll network.
 - d. The Service shall include access to: (1) all switching systems served by a given STP which have been converted to SS7 signaling, including switching systems owned by other local service providers; (2) databases directly connected to a given STP, with the exception of 800/888 databases which can be accessed through any STP; (3) other local service provider STPs on an intraLATA basis; and (4) other Third Party-local service provider STPs on an intraLATA basis.
 - e. It is the responsibility of Covad to populate the "privacy indicator" portion of all SS7 signaling messages forwarded to GTE's network. GTE agrees to deliver the information forwarded by Covad in the SS7 signaling message. Covad, by entering into this Agreement, agrees to deliver "privacy indicator" information forwarded by GTE in its signaling message.
 - f. Covad acknowledges that call set-up times may be greater when Covad employs intermediate access tandems (IATs) in its network.
 - g. If selected on Exhibit A attached to this Appendix, the Service shall also include IXC call set-up signaling service (ISUP) as described in Article 2.4 of this Appendix. Additional charges as set forth in Exhibit A shall apply.
- 2.4 ISUP Service Charge. This is an optional service that allows Covad to utilize SS7 signaling to an SS7 capable IXC for Feature Group D access service and other intraLATA interexchange services. The ISUP service is a monthly charge.
- a. The rate for ISUP signaling is per connection in situations when GTE does not provide any underlying call messages for Covad on GTE's network trunks. The rate for ISUP signaling is shown in Exhibit A.

- b. Where GTE has a mated pair of STPs and has CCS/SS7 interconnection facilities to an IXC within the same LATA, for interexchange telecommunications services, GTE shall provide call set-up signaling between Covad and the IXC.
 - c. Covad agrees to provide to GTE such information as deemed necessary by GTE for network planning in connection with this offering and as may be requested by GTE from time to time.
 - d. Covad must provide the SP Codes of the IXCs for which it is providing call setup via GTE's SS7 signaling network, so that GTE screening and translation tables can be updated.
- 2.5 Technical Specifications. The technical specifications for the Services described above are defined in Bellcore TR-TSV-000905. GTE will provide SS7 via OR-394-SS7 and/or OR-317-SS7 format(s).
- 2.6 Other Services. If Covad desires to order SS7-related services other than the Service, such services will be governed by separate agreements.
- 2.7 Applicable Traffic. The Service applies to the traffic of Covad and its subtending LECs only. Covad must provide GTE with thirty (30) calendar days' written notice and a letter of agency before the traffic of any party other than Covad or its subtending LECs may be transmitted through Covad's facilities on to GTE's SS7 network.

**ARTICLE 3.
MANNER OF PROVISIONING**

- 3.1 Link Facilities. The link facilities to GTE STPs in the same LATA can be either:
- a. "A" Link sets from Covad's SP or SSP. A minimum of two (2) links is required, one (1) from the SP or SSP to each STP; or,
 - b. "B" Link sets from Covad's STPs that are connected to GTE's mated pairs of STPs. A minimum of four (4) links is required between the two (2) pairs of STPs.
- 3.2 Port Termination. An STP port termination is required for each 56 kbps access link utilized for the Service. STP locations are set forth in the National Exchange Carrier Association, Inc. (NECA) Tariff, F.C.C. No. 4.
- 3.3 Signaling Point Codes. GTE shall install all applicable Signaling Point codes for each signaling link at each of GTE's interconnecting STPs.
- 3.4 Protocol. GTE shall provision the Service in accordance with ANSI T1.226 Telecommunications - Operations, Administration, Maintenance, and Provisioning (OAM&P) -Management of functions for Signaling System No. 7 (SS7) Network Interconnections (ATIS) with the exception of references to OMAP protocol elements. The Service cannot be established until Compatibility Testing has been successfully completed between Covad and GTE.
- 3.5 56 kbps Channel. Unless Covad elects to provide such links, GTE shall provide two (2) or four (4) 56 kbps circuits as link facilities at rates set forth in Article 4 herein. If approved by GTE, Covad may utilize a 56 kbps channel of an intraLATA DS1 (1.544

mbps) facility, which is in place at the time of ordering, as an "A" Link or a "B" Link, for the STP access connection between the SPOI and GTE's STP. **WHEN THIS OPTION IS CHOSEN, Covad UNDERSTANDS AND ACCEPTS THAT THE SERVICE PERFORMANCE STANDARDS AS OUTLINED IN BELLCORE DOCUMENT GR-905 MAY NOT BE MET IN THE PROVISION OF THE TOTAL SERVICE.** If such a channel is not utilized, Covad must order DS1 (1.544 Mbps) service.

- 3.6 Diversity. Where Currently Available and not unreasonably economically burdensome, GTE agrees to allow interoffice and intraoffice diversity.

ARTICLE 4. RATES AND CHARGES

- 4.1 Payment. Covad agrees to pay to GTE for the Service at the rates and charges set forth in Exhibit A attached to this Appendix and made a part hereof.
- 4.2 Period. Subject to Section 4.3 below, the rates and charges shall remain in effect and are firm for a period of twelve (12) months from the effective date of this Appendix. Thereafter, GTE shall give Covad sixty (60) calendar days' notice of any price change. If the new prices are not acceptable to Covad, Covad may terminate this Appendix upon thirty (30) calendar days' advance written notice without penalties for either Party.
- 4.3 Rate Basis. The rates are based upon rates and charges reflected in GTE's approved CCS/SS7 interconnection tariffs. To the extent that tariff rates are adjusted, rates and charges for similar rate elements in this Appendix will be adjusted accordingly on the date the new tariff rates become effective. If a state or federal regulatory agency requires, or GTE elects, to offer the Service by tariff, the tariff shall supersede this Appendix. If the Service becomes tariffed, Covad has the right to terminate this Appendix upon sixty (60) calendar days' advance written notice effective on the effective date of such tariff, without penalty to either Party.
- 4.4 Mileage. Mileage is calculated on the airline distance between the locations involved, using the V&H coordinates method, as set forth in the National Exchange Carrier Association, Inc. Tariff, F.C.C. No. 4.
- 4.5 Rates and Charges. Rates and charges for each component of the Service are described as follows:
- a. "A" Link connection - Charges for the "A" Link connection to GTE's CCS/SS7 network consist of the SP port termination charges.
 - (1) The STP port termination charges are for the termination of a 56 kbps channel at each STP from Covad's SSP or SP.
 - (2) Covad will lease facilities between its SSPs/SPs and GTE's STPs.
 - b. "B" Link connection - Charges for the "B" Link connection to GTE's CCS/SS7 network consist of the STP port termination charges.
 - (1) The STP port termination charges are for the termination of a 56 kbps channel at each STP from Covad's STPs.

(2) Covad and GTE shall mutually agree upon the rates for "B" Link interconnections within thirty (30) calendar days of the execution of this Agreement.

c. STP Interconnection nonrecurring charge - STP interconnection nonrecurring charge shall apply for each "A" Link and "B" Link interconnection to GTE's SS7 network.

4.6 Rearrangement. Charges for rearrangement of the Service that are not specifically addressed will be determined by GTE on an individual case basis.

4.7 Applicable Traffic. The rates apply only to the traffic of Covad and its subtending LECs. Any traffic from any other party will be subject to additional charges.

ARTICLE 5. ORDERING THE SERVICE

5.1 Order. To order the Service, Covad shall submit a completed CCS/SS7 information form, including appropriate interconnection information. Covad may change its order for service order by submitting a new information form which shall be effective when executed by both Parties. Service shall be implemented for Covad thirty (30) calendar days after execution of this Agreement and the appropriate information forms by both Parties.

5.2 Port Terminations. GTE shall reserve STP port terminations only upon receipt of a fully executed copy of this Agreement and the information form referred to in this Appendix. GTE shall reserve ports on a first come, first served basis. Should Covad fail to use a port within sixty (60) Business Days of availability, GTE may reassign the port and, Covad must resubmit an information form for interconnection.

ARTICLE 6. RESPONSIBILITIES OF GTE

6.1 Managing the Network. GTE is responsible for managing the network provided by GTE as part of the Service and applying protective controls which it can invoke as a result of occurrences including, but not limited to, failure or overload of GTE or Covad facilities due to natural disasters, mass calling or national security demands.

6.2 Performance Standards. GTE is responsible for meeting service performance standards as outlined in Bellcore GR-905 except as otherwise provided herein.

6.3 Invoice. GTE shall include with the monthly invoice such data GTE and Covad mutually agree is necessary for Covad to verify the accuracy of the billing it receives from GTE for the Service.

ARTICLE 7. RESPONSIBILITIES OF Covad

7.1 Signaling Link. Covad shall provision the signaling links from its premises to the SPOs in a manner technically compatible to the GTE network.

7.2 Privacy Indicator. Covad shall populate the "privacy indicator" portion of the CCS/SS7 initial address message forwarded to GTE's network for call processing.

- 7.3 Accuracy of Information. Covad shall verify the accuracy of information provided by Covad concerning the Service ordered by Covad.
- 7.4 Forecast. Covad shall furnish to GTE, at the time the Service is ordered and annually thereafter, an updated three year forecast of usage for the 56 kbps channel and the STP port termination for each STP pair. The forecast shall include total annual volume and busy hour busy month volume. GTE shall utilize the forecast in its own efforts to project further facility requirements.
- 7.5 Changes. Covad agrees to inform GTE in writing at least thirty (30) Business Days in advance of any change in its use of the Service that alters by ten percent (10%) or more for any thirty (30) day period the volume of signaling transactions to be forwarded to GTE's CCS/SS7 network. Covad will provide the reason for the change in volume by individual SS7 service.

ARTICLE 8. SIGNALING POINT CODES

- 8.1 Interconnection. Covad will utilize its own SPC when interconnecting its SPs or SSPs to GTE's STPs at the "A" Link level, as well as when interconnecting its STPs to GTE's STPs at the "B" Link level. Covad agrees to obtain its own SPC.
- 8.2 SPC. Covad shall be responsible for code assignments and shall be responsible for notifying GTE and other CCS/SS7 network providers of such assignments.
- 8.3 SPC Change. Due to the complexities and potential Covad signaling network downtime required for changing working SPCs, Covad agrees to give GTE a written notice of an SPC change as soon as possible but no later than thirty (30) Business Days prior to the effective date of the SPC change.

ARTICLE 9. MONTHLY BILLING

Billing statements shall be rendered monthly by GTE to Covad. The monthly charge shall be the total of all monthly rate element charges associated with the Service. Payment to GTE for bills rendered to Covad shall be due thirty (30) calendar days after receipt of the invoice and Covad agrees to pay all billed amounts. Beginning the day after the due date of the bill, interest charges of twelve per cent (12%) per annum or the maximum allowed by law, whichever is less, shall be added to Covad's bill. Payments shall be applied to the oldest outstanding amounts first.

ARTICLE 10. LIABILITY AND INDEMNIFICATION

- 10.1 Release from Liability. Each Party releases the other from any liability for loss or damage arising out of errors, interruptions, defects, failures, delays, or malfunctions of the Service, including any and all associated equipment and data processing systems, not caused by gross negligence or willful misconduct. Any losses or damages for which either Party is held liable under this Agreement shall in no event exceed the amount of the charges for the Service during the period beginning at the time notice of the error, interruption, defect, failure, or malfunction is received, to the time Service is restored.
- 10.2 Limitation of Liability. IN ADDITION TO THE LIMITATION OF LIABILITY SET FORTH AT SECTION 25.4 OF ARTICLE III OF THE AGREEMENT, NEITHER

PARTY SHALL BE LIABLE FOR ANY LOSS OF REVENUE OR PROFIT OR FOR ANY LOSS OR DAMAGE ARISING OUT OF THIS AGREEMENT OR OUT OF THE USE OF THE CCS OR ANY OF THE SERVICES PROVIDED UNDER THIS AGREEMENT THAT IS SUFFERED BY THE OTHER PARTY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE AND WHETHER OR NOT INFORMED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE. NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.

- 10.3 Third Parties. Each Party agrees to release, defend, indemnify, and hold harmless the other Party from and against any and all losses, damages, or other liability, including reasonable attorneys' fees, that it may incur as a result of claims, demands, wrongful death actions, or other suits brought by third parties, arising out of the use of the Service and resulting from the gross negligence or willful misconduct by the indemnifying Party, its employees, agents, or contractors in the performance of this Agreement. In addition, to the extent that the Parties' interests do not conflict, Covad shall defend GTE against all end users' claims just as if Covad had provided such service to its end users with its own employees. In any event, Covad shall assert its tariff limitation of liability for the benefit of both GTE and Covad.
- 10.4 Infringement. Each Party agrees to release, defend, indemnify, and hold harmless the other Party from and against any claim, demands or suit that asserts any infringement or invasion of privacy or confidentiality of any person(s), caused or claimed to be caused, directly or indirectly, by the indemnifying Party's employees or equipment associated with provision of the Service. This includes, but is not limited to, suits arising from disclosure of any customer-specific information associated with either the originating or terminating numbers used to provision the Service.
- 10.5 No Warranties. IN ADDITION TO THE DISCLAIMER SET FORTH AT SECTION 25.3 OF ARTICLE III OF THE AGREEMENT, NEITHER GTE NOR Covad MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER OR TO ANY THIRD PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES PROVIDED UNDER OR IN CONNECTION WITH THIS APPENDIX, THAT THE SERVICES PROVIDED UNDER THIS APPENDIX WILL BE ERROR FREE OR THAT THE FACILITIES WILL OPERATE WITHOUT INTERRUPTION. GTE AND Covad DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR FROM USAGES OF TRADE.

ARTICLE 11. RESERVATION OF RIGHTS

- 11.1 Rights Reserved. By entering into this Appendix to the Agreement, neither Party waives, releases or compromises any rights it may have to argue, in any federal or state regulatory proceeding (or in any judicial appeal following such a proceeding), in support of, or in opposition to any position, including but not limited to: (a) Accounting for deregulated (or detariffed) data base services; (b) removal from regulated accounts of expenses and investment associated with deregulated (or detariffed) data base services; and (c) any other issue pertinent to regulation or deregulation of costs which were, are now, or may in the future be, associated with

the provisions of data base services. Each Party expressly reserves all its rights in connection with such matters.

Entire Agreement.

The terms and conditions of this Agreement supersede all prior oral or written understandings between the parties and constitute the entire agreement between them concerning the subject matter of this Agreement. There are no understandings or representations, express or implied, not expressly set forth in this Agreement. This Agreement shall not be modified or amended except by a writing signed by the party to be charged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their authorized representatives.

FOR GTE _____ INCORPORATED:

FOR LICENSEE:

(Signature of Authorized Agent)

(Signature of Officer)

(Printed Name of Authorized Agent)

(Printed Name of Officer)

(Title)

(Title)

(Date)

(Date)

ATTEST:

Corporate Seal (If Applicable)

EXHIBIT A
RATES AND CHARGES

for Interconnection at
GTE's _____ - _____, SP

	Rate Element	Rates & Charges	
		Nonrecurring	Monthly
1.	SP Port Termination for an "A" Link Per Port		See Tariffed Rates
2.	SP Port Termination for a "B" Link Per Port		See Tariffed Rates
3.	56 Kbps Digital Facility Dedicated Switched Access Transport Per Airline Mile		See Tariffed Rates
4.	56 Kbps Dedicated Switched Access Line		See Tariffed Rates
5.	1.544 Mbps (DS1) High Capacity Digital Facility Dedicated Switched Access Transport Per Airline Mile		See Tariffed Rates
6.	1.544 Mbps (DS1) Dedicated Switched Access Line		See Tariffed Rates
7.	Facility Charge for "B" Links (where applicable)		See Tariffed Rates
8.	ISUP Charge per Interconnection (where applicable)		See Tariffed Rates

APPENDIX H
POLE ATTACHMENT AGREEMENT

1. Parties.

This agreement (Agreement) is between GTE _____ INCORPORATED, a State of _____ corporation having its principal office at _____ ("GTE"), and COVAD COMMUNICATIONS COMPANY, a corporation of the State of _____, having its principal office at _____ ("Licensee").

2. Definitions.

- 2.1 Attachment Fee - the fee assessed per pole and paid by Licensee to place Attachments on GTE's poles. Attachment fees are specified in Section 11 of this Agreement.
- 2.2 Attachments - the equipment reasonably required by Licensee to provide its Telecommunications Services that is placed on GTE's poles.
- 2.3 Business Day - Monday through Friday, except for holidays on which the U. S. Mail is not delivered.
- 2.4 GTE's Poles or GTE Pole(s) - any pole or poles solely owned by GTE, jointly owned by GTE and another entity, and space on poles obtained by GTE through arrangements with the owner(s) thereof.
- 2.5 Hazardous Materials - (i) any substance, material or waste now or hereafter defined or characterized as hazardous, extremely hazardous, toxic or dangerous within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any similar law, ordinance, statute, rule or regulation of any governmental body or authority; (ii) any substance, material or waste now or hereafter classified as a contaminant or pollutant under any law, ordinance, statute, rule or regulation of any governmental body or authority; or (iii) any other substance, material or waste, the manufacture, processing, distribution, use, treatment, storage, placement, disposal, removal or transportation of which is now or hereafter subject to regulation under any law, ordinance, statute, rule or regulation of any governmental body or authority.
- 2.6 Make-Ready Work - all work, including, but not limited to, rearrangement, removal, or transfer of existing attachments, placement, repair, or replacement of poles, or any other changes required to accommodate the Licensee's Attachments on a pole.
- 2.7 Pole Attachment Request (PAR) - a written request from Licensee to place its Attachments on GTE's Poles, submitted in accordance with Section 6 of this Agreement. For Agreements in effect prior to (date agreement is executed by the parties), the term PAR shall be deemed to include Pole Attachment requests made by letter or similar document.
- 2.8 Telecommunications Services - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

3. Purpose.

- 3.1 Licensee represents to GTE that Licensee has a need to occupy, place and maintain Attachments on GTE's poles for the purpose of providing Telecommunications Services.
- 3.2 GTE agrees to permit Licensee to occupy, place and maintain its Attachments on such GTE poles as GTE may allow pursuant to the terms of this Agreement.

4. Grant of License.

GTE grants to Licensee and Licensee accepts from GTE a non-exclusive revocable license to occupy, place and maintain in a designated space on specified GTE poles Licensee's attachments on the terms and conditions set forth herein. Licensee shall have no further right, title, or other interest in connection with GTE's poles. GTE shall have the right to grant, renew or extend privileges to others not parties to this Agreement to occupy, place or maintain Attachments on or otherwise use any or all GTE poles. Nothing herein is intended to, nor should it be construed to require GTE to construct or modify any facilities not needed for its own service requirements. GTE grants this license in reliance on the representation of Licensee that Licensee intends to provide Telecommunications Services with the Attachments covered by this Agreement.

5. Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than ninety (90) calendar days prior to the end of the current term, this Agreement shall remain in effect for ninety (90) calendar days after such notice is received, provided, that in no case shall the term be extended beyond ninety (90) calendar days after the end of the current term.

6. Pole Attachment Requests (PARs).

- 6.1 Licensee shall submit a written Pole Attachment Request (PAR) as shown in Exhibit 1 to GTE identifying the GTE poles upon which it desires to place Attachments. Each PAR shall be in a form specified by GTE and may be revised from time to time by GTE. All PARs submitted to GTE shall be processed on a first come, first served basis. GTE, in its sole judgment, will determine the availability of space on the GTE pole(s) specified in the PAR and will provide its response to the PAR within thirty (30) Business Days of its submission. Upon approval of the PAR, GTE shall return one copy thereof to Licensee bearing an endorsement acknowledging GTE's authorization. All Attachments placed on GTE's poles pursuant to an approved PAR shall become subject to all of the terms and conditions of this Agreement. Licensee may submit subsequent PARs for approval by GTE as needed. GTE is under no obligation to provide general information respecting the location and availability of GTE poles, except as may be necessary to process a PAR. No Attachment shall be placed on any GTE pole identified in a PAR until that PAR has been approved by GTE.

- 6.2 Licensee shall pay GTE a fee for processing a PAR to compensate GTE for the general administrative costs as well as the actual engineering costs reasonably incurred. The fee for engineering costs shall be computed by multiplying the fully loaded hourly rate for an engineer times the number of hours reasonably required by each engineer to inspect the GTE poles included in the PAR. GTE will charge its then current rates for administrative and engineering costs, as may be changed from time to time by GTE to remain consistent with prevailing costs.
- 6.3 Upon receiving an approved PAR, Licensee shall have the right, subject to the terms of this License, to place and maintain the facilities described in the PAR in the space designated on the GTE poles identified therein.
- 6.4 In the event Make-Ready Work is necessary to accommodate Licensee's Attachments, GTE shall notify Licensee of such fact and provide Licensee with a good faith estimate of the total cost of such Make-Ready Work needed to accommodate Licensee's Attachments. Within fifteen (15) Business Days after receiving such notice from GTE, Licensee shall notify GTE either (1) that Licensee shall pay all of the costs actually incurred to perform the Make-Ready Work and shall pay the total estimated amount to GTE at least ten (10) Business Days prior to the date the Make-Ready Work is to begin or (2) that it desires to cancel its PAR.
- 6.5 GTE shall not be responsible to Licensee for any loss sustained by Licensee by reason of the refusal or failure of any other party with attachments on GTE's poles to rearrange or modify its attachments as may be required to accommodate Licensee's Facilities.
- 6.6 Licensee is not authorized and shall have no right to place facilities on any GTE pole unless that GTE pole is identified in an approved PAR.

7. Availability of Information Regarding Space on Poles.

GTE will provide information regarding the availability of pole space within thirty (30) Business Days of a written request by Licensee. Because GTE will endeavor to determine available space as quickly as possible, a shorter interval may be experienced for requests of a limited scope where physical field verification is not necessary. In the event the thirty (30) Business Day time frame cannot be met, GTE shall so advise Licensee and shall seek a mutually satisfactory alternative response date. No representation regarding the availability of space shall be made in the absence of a physical field verification.

8. Authority to Place Attachments.

- 8.1 Before Licensee places any Attachments on GTE's poles pursuant to an approved PAR, Licensee shall submit evidence satisfactory to GTE including but not limited to an affidavit of its authority to erect and maintain the facilities to be placed on GTE's poles within the public streets, highways and other thoroughfares or on private property. Licensee shall be solely responsible for obtaining all ROWs, easements, licenses, authorizations, permits and consents from federal, state and municipal authorities or private property owners that may be required to place Attachments on GTE's poles. In the event Licensee must obtain any additional easements, permits, approvals, licenses and/or authorizations from any governmental authority or private individual or entity in order to utilize GTE's poles under an approved PAR, GTE shall, upon Licensee's request, provide written confirmation of its consent to Licensee's utilization of poles in a particular location in accordance with this Agreement, if needed by Licensee to obtain such additional approvals or

authorizations. GTE shall also provide maps or drawings of its facilities' locations to the extent reasonably required by such governmental authority or private individual or entity for purposes of considering or granting Licensee's request to it for authority or approval.

- 8.2 GTE shall not unreasonably intervene in or attempt to delay the granting of any ROWs, easements, licenses, authorizations, permits and consents from federal, state or municipal authorities or private property owners that may be required for Licensee to place its Attachments on GTE's poles.
- 8.3 If any ROW, easement, license, authorization, permit or consent obtained by Licensee is subsequently revoked or denied for any reason, Licensee's permission to attach to GTE's poles shall terminate immediately and Licensee shall promptly remove its Attachments. Should Licensee fail to remove its Attachments within sixty (60) calendar days of receiving notice to do so from GTE, GTE shall have the option to remove all such Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Attachments shall be reimbursed to GTE by Licensee upon demand.
- 8.4 Upon notice from GTE to Licensee that the cessation of the use of any one or more of GTE's poles is necessary for reasons of safety or has been directed by any federal, state or municipal authority, or private property owner, permission to attach to such pole or poles shall terminate immediately and Licensee promptly shall remove its Attachments. Should Licensee fail to remove its Attachments within the time frame provided by the requesting or directing party or one hundred twenty (120) days of receiving notice to do so from GTE, whichever is less, GTE shall have the option to remove all such Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Attachments shall be reimbursed to GTE by Licensee upon demand by GTE.

9. Placement of Attachments.

9.1 Licensee shall, at its own expense, place and maintain its Attachments on GTE's poles in accordance with (i) such requirements and specifications as GTE shall from time to time prescribe in writing, (ii) all rules or orders now in effect or that hereafter may be issued by any regulatory agency or other authority having jurisdiction, and (iii) all currently applicable requirements and specifications of the National Electrical Safety Code, and the applicable rules and regulations of the Occupational Safety and Health Act. Licensee agrees to comply, at its sole risk and expense, with all specifications included hereto, as may be revised from time to time by GTE.

9.2 Licensee's Facilities shall be tagged at maximum intervals of 300 feet so as to identify Licensee as the owner of the Facilities. The tags shall be of sufficient size and lettering so as to be easily read from ground level.

10. Failure of Licensee to Place Attachments.

Once Licensee has obtained an approved PAR, Licensee shall have sixty (60) calendar days from the date the PAR is approved to begin the placement of its Attachments on the GTE poles covered by the PAR. If Licensee has not begun placing its Attachments within

that sixty (60) calendar day period, Licensee shall so advise GTE with a written explanation for the delay. If Licensee fails to advise GTE of its delay, with a written explanation therefor, or if Licensee fails to act in good faith by not making a bona fide effort to begin placing its Attachments within the sixty (60) calendar days prescribed by this Section, the previously approved PAR shall be deemed rescinded by GTE and Licensee shall have no further right to place Attachments pursuant to that PAR.

11. Attachment Fees.

- 11.1 Licensee shall pay to GTE an annual Attachment Fee, as specified in Exhibit 3 hereto, for each GTE pole upon which Licensee obtains authorization to place an Attachment. The Attachment Fee may be increased by GTE from time to time as permitted by law upon sixty (60) calendar days, or the appropriate number of days as prescribed by federal, state or local government authority, written notice to Licensee.
- 11.2 Attachment fees shall be billed in advance and become due and payable on the date a PAR is approved by GTE for all GTE poles identified in that PAR on a pro rata basis until the end of the calendar year and thereafter on an annual basis within thirty (30) calendar days of the receipt of a statement from GTE specifying the fees to be paid. If any undisputed amount due on the billing statement is not received by GTE on the payment due date, GTE may charge, and Licensee agrees to pay, at GTE's option, interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable GTE/Contel state access tariffs or the GTOC/GSTC FCC No. 1 tariff, one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.
- 11.3 GTE shall maintain an inventory of the total number of GTE poles occupied by Licensee based upon the cumulative number of poles specified in all PARs approved by GTE. GTE may, at its option, conduct a physical inventories of Licensee's Attachments under this Section. At GTE's election, such physical inventories shall be conducted by GTE upon renegotiation of this Agreement or any subpart or appendix thereof, and a maximum of one time per calendar year thereafter. The costs incurred by GTE to conduct the physical inventory shall be reimbursed to GTE by the Licensee upon demand by GTE. It shall be Licensee's sole responsibility to notify GTE of any and all removals of Attachments from GTE's poles. Except as provided in Section 18 of this Agreement in connection with the termination of this Agreement, such notice shall be provided to GTE at least thirty (30) days prior to the removal of the Attachments. Each Notice of Removal shall be in a form specified by GTE and may be revised from time to time at GTE's sole discretion. Licensee shall remain liable for Attachment Fees until Licensee's Attachments have been physically removed from GTE's poles.

12. Modifications, Additions or Replacements to Existing Attachments.

- 12.1 Licensee shall not modify, add to or replace Facilities on any pre-existing Attachment without first notifying GTE in writing of the intended modification, addition or replacement at least thirty (30) calendar days prior to the date the activity is scheduled to begin. The required notification shall include: (1) the date the activity is scheduled to begin, (2) a description of the planned modification, addition or replacement, (3) a representation that the modification, addition or replacement will not require any space other than the space previously designated for Licensee's Attachments, and (4) a representation that the modification, addition or replacement

will not impair the structural integrity of the Poles involved and (5) a representation that the modification, addition or replacement will not impact other Licensee's attachments.

- 12.2 Should GTE determine that the modification, addition or replacement specified by Licensee in its notice will require more space than that allocated to Licensee or will require the reinforcement of, replacement of or an addition of support equipment to the poles involved in order to accommodate Licensee's modification, addition or replacement, GTE will so notify Licensee, whereupon Licensee will be required to submit a PAR in compliance with this Agreement in order to obtain authorization for the modification, addition or replacement of its Attachments.
- 12.3 Access to GTE's poles for repairs, modifications, additions, or replacements required in emergency situations shall be governed by Section 22 of this Agreement.
- 12.4 Should Licensee request GTE to expand capacity or purchase additional plant, Licensee agrees to pay all costs.

13. Rearrangements to Accommodate Other Licensees.

Licensee acknowledges that at some point in the future it may become necessary to rearrange Licensee's Facilities in order to create space to accommodate the facilities of another licensee. Licensee agrees that in such event Licensee will cooperate in good faith with such other licensee to come to a mutually agreeable understanding regarding the manner in which the rearrangement of Licensee's Facilities will be achieved.

14. Unauthorized Attachments.

- 14.1 The parties agree that because it would be impracticable and extremely difficult to determine the actual amount of damages resulting from Licensee's unauthorized Attachment(s), a charge equal to five (5) times the amount of the then current Attachment Fee shall be paid by Licensee to GTE for each unauthorized Attachment to a GTE pole. Such payment shall be deemed liquidated damages and not a penalty. Licensee also shall pay GTE an Attachment Fee for each unauthorized Attachment accruing from the date the unauthorized Attachment was first placed on the GTE pole. In the event that the date the unauthorized Attachment was first placed on a GTE pole cannot be determined, such date shall be deemed the date of the last physical inventory made in accordance with this Agreement or, if no physical inventory has been conducted, the date the first PAR from Licensee was approved in accordance with this Agreement. Licensee also shall pay to GTE all costs incurred by GTE to rearrange any unauthorized attachment(s) of Licensee if such rearrangement is required to safeguard GTE's attachment(s) or to accommodate the attachment(s) of another party whose attachment(s) would not have required a rearrangement but for the presence of Licensee's unauthorized attachment(s). Licensee shall also pay to GTE all costs incurred by GTE to reinforce, replace or modify any GTE pole, which reinforcement, replacement or modification was required as a result of the unauthorized Attachment of Licensee. The Attachment Fee referenced in this subsection 14.1 shall be determined in the same manner as such fee would have been determined if the attachment had been authorized by GTE.
- 14.2 Once GTE has notified Licensee of an unauthorized attachment, the Licensee can submit a PAR to request an authorized attachment. A PAR submitted per this

provision will be treated like any other PAR subject to this Agreement. Licensee will be responsible for all fees associated with a PAR (as identified in this agreement). If a PAR is not received by GTE within ten (10) Business Days of Licensee's receipt of an unauthorized Attachment notification, then Licensee has sixty (60) calendar days from the date of its receipt of the initial unauthorized Attachment notification to vacate the unauthorized attachment.

- 14.3 For purposes of this section, an unauthorized Attachment shall include, but not be limited to:
 - 14.3.1 An Attachment to a GTE pole which pole is not identified in any PAR approved in accordance with this Agreement;
 - 14.3.2 An Attachment that occupies more space than that allocated to Licensee by GTE;
 - 14.3.3 An Attachment that is not placed in accordance with the provisions of this Agreement or the appropriate PAR issued pursuant to this Agreement;
 - 14.3.4 An addition or modification by Licensee to its pre-existing Attachment(s) that impairs the structural integrity of the involved GTE pole(s) or other GTE facilities or those of other licensees.
 - 14.3.5 An Attachment that consists of facilities owned or controlled by, and for the use of a party other than Licensee.
15. Surveys and Inspections of Pole Attachments.
 - 15.1 Upon written notice to Licensee, the total number and exact location of Licensee's Attachments on GTE's poles may be determined, at GTE's discretion, through a survey to be made not more than once per calendar year by GTE. If so requested, Licensee and/or any other entity owning or jointly owning the poles with GTE may participate in the survey. The costs incurred by GTE to conduct the survey shall be reimbursed to GTE by Licensee upon demand by GTE. If the Attachments of more than one Licensee are surveyed, each such Licensee shall contribute a proportionate share of the costs reimbursed to GTE.
 - 15.2 Apart from surveys conducted in accordance with this section, GTE shall have the right to inspect any Attachment of Licensee on GTE's poles as conditions may warrant upon thirty (30) calendar days written notice to Licensee. Licensee shall, upon demand by GTE, reimburse GTE all costs incurred to conduct its inspection. No joint survey or inspection, or lack thereof, by GTE shall operate to relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.
16. Notice of Modification or Alteration of Poles by GTE.
 - 16.1 In the event GTE plans to modify or alter any GTE pole(s) upon which Licensee has Attachments, GTE shall provide Licensee notice of the proposed modification or alteration at least thirty (30) calendar days prior to the time the proposed modification or alteration is scheduled to take place. Should Licensee decide to simultaneously modify or alter its Attachments on the GTE poles to be modified or altered by GTE, Licensee shall so notify GTE in writing at least fifteen (15) calendar days prior to when work is to begin. In such event, Licensee shall bear a

proportionate share of the total costs incurred by GTE to make such poles accessible to Licensee.

- 16.2 In the event GTE is required by a federal, state, or local authority or for any other reason beyond GTE's control (e.g., normal deterioration to move, replace or change the location of any GTE pole(s)), Licensee shall concurrently relocate Licensee's Attachments. GTE and each Licensee required to relocate its Attachments shall bear its own costs for such relocation.

17. Disclaimer of Warranties.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, GTE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR a PARTICULAR PURPOSE.

18. Default and Remedies.

- 18.1 The occurrence of any one of the following shall be deemed a "Material Default" by Licensee under this Agreement:

18.1.1 Failure by Licensee to pay any fee or other sum required to be paid under the terms of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof to Licensee;

18.1.2 Failure by Licensee to perform or observe any other term, condition, covenant, obligation or provision of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof from GTE (provided that if such default is not curable within such thirty (30) calendar day period, the period will be extended if Licensee commences to cure such default within such thirty (30) day period and proceeds diligently (hereafter to effect such cure);

18.1.3 The filing of any tax or mechanic's lien against GTE's poles which is not bonded or discharged within thirty (30) days of the date Licensee receives notice that such lien has been filed;

18.1.4 Licensee's voluntary or involuntary bankruptcy;

18.1.5 Licensee's knowing use or maintenance of its Attachments in violation of any law or regulation, or in aid of any unlawful act or undertaking;

18.1.6 The denial or revocation of any authorization which may be required of the Licensee by any governmental or private authority for the placement, operation or maintenance of Licensee's Attachments is denied or revoked.

- 18.2 In the event of a Material Default, GTE, without any further notice to the Licensee (except where expressly provided for below or required by applicable law) may do any one or more of the following:

18.2.1 Perform, on behalf and at the expense of Licensee, any obligation of Licensee under this Agreement which Licensee has failed to perform and

of which GTE shall have given Licensee notice, the cost of which performance shall be paid by Licensee to GTE upon demand;

18.2.2 Terminate this Agreement by giving notice of such termination to Licensee and upon sixty (60) calendar days written notice, remove Licensee's Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby; or

18.2.3 Exercise any other legal or equitable right or remedy which GTE may have.

18.3 Any costs and expenses incurred by GTE (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement shall be repaid to GTE by Licensee upon demand.

18.4 Upon termination of this Agreement by GTE because of a Material Default by Licensee, Licensee shall remain liable to GTE for any and all fees, other payments and damages which may be due or sustained prior to such termination, all reasonable costs, fees and expenses, including, without limitation, reasonable attorneys' fees incurred by GTE in pursuit of its remedies hereunder. In addition to and notwithstanding Section 14, the parties agree that because it would be impracticable and extremely difficult to determine the actual amount of damages, additional liquidated damages for termination because of Material Default shall be an amount equal to one full year of Pole Attachment fees.

18.5 All rights and remedies of each party set forth in this Agreement shall be cumulative and none shall exclude any other right or remedy, now or hereafter allowed by or available under any statute, ordinance, rule of court, or the common law, either at law or in equity, or both.

19. Indemnification.

19.1 Licensee shall compensate GTE for the full actual loss, damage or destruction of GTE's property that in any way arises from or is related to this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Attachments).

19.2 Licensee will further indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns, from any and all losses, damages, costs, expenses (including, without limitation, reasonable attorneys' fees), statutory fines or penalties, actions or claims for personal injury (including death), damage to property, or other damage or financial loss of whatever nature in any way arising out of or connected with this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Attachments). Licensee will further indemnify GTE from subsequent taxes and fees that may be levied by municipalities or other governmental entities and related to or arising from the presence of Licensee's Attachments on GTE's Poles, including but not limited to taxes or fees related to use of public rights-of-way, in association with this Agreement. Such fees that are levied would be in addition to the Attachment Fees reflected in this Agreement. Licensee expressly assumes all liability for actions brought against GTE and GTE's agents, officers, employees and assigns, by Licensee's agents, officers or employees and

Licensee expressly waives any immunity from the enforcement of this indemnification provision that might otherwise be provided by workers' compensation law or by other state or federal laws.

- 19.3 Without limiting any of the foregoing, Licensee assumes all risk of, and agrees to relieve GTE of any and all liability for, loss or damage (and the consequences of loss or damage) to any Attachments placed on GTE's poles and any other financial loss sustained by Licensee, whether caused by fire, extended coverage perils, or other casualty.
 - 19.4 Without limiting the foregoing, Licensee expressly agrees to indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns from any and all claims asserted by customers of Licensee in any way arising out of or in connection with this Agreement or Licensee's Attachments.
 - 19.5 Notwithstanding anything to the contrary in this Agreement, Licensee further shall indemnify and hold harmless GTE, its agents, officers, employees and assigns from and against any claims, liabilities, losses, damages, fines, penalties and costs (including, without limitation, reasonable attorneys' fees) whether foreseen or unforeseen, which the indemnified parties suffer or incur because of: (i) any discharge of Hazardous Materials resulting from acts or omissions of Licensee or the Licensee's predecessor in interest; (ii) acts or omissions of the Licensee, its agents, employees, contractors, representatives or predecessor in interest in connection with any cleanup required by law, or (iii) failure of Licensee or the Licensee's predecessor in interest to comply with environmental, safety and health laws.
 - 19.6 In no event shall either party be liable to the other party for any special, consequential or indirect damages (including, without limitation, lost revenues and lost profits) arising out of this Agreement or any obligation arising hereunder, whether in an action for or arising out of breach of contract, tort or otherwise.
 - 19.7 Licensee shall indemnify, protect and hold harmless GTE from and against any and all claims for libel and slander, copyright and/or patent infringement arising directly or indirectly by reason of attachment of Licensee's equipment on GTE's poles pursuant to this Agreement.
20. Insurance.
- 20.1 Licensee shall carry insurance, at its sole cost and expense, sufficient to cover its indemnification obligations as set forth in Section 19 of this Agreement. Such insurance shall include, but not be limited to, coverage against liability due to personal injury or death of persons in the amount of \$500,000 as to any one person and \$1,000,000 as to any one accident; coverage against liability due to property damage in the amount of \$500,000 as to each accident and \$500,000 aggregate; and coverage necessary to fully protect both it and GTE from all claims under any worker's compensation laws that may be applicable.
 - 20.2 All insurance required of Licensee under this Agreement shall remain in force for the entire life of this Agreement. The company or companies issuing such insurance shall be approved by GTE and GTE shall be named as an additional insured in each such policy. Licensee shall submit to GTE certificates by each insurer to the effect that the insurer has insured Licensee for all potential liabilities of Licensee under this Agreement, and that it will not cancel or change any policy of insurance issued to

Licensee except upon thirty (30) calendar days notice to GTE. In the event Licensee's insurance coverage is to be canceled by reason of non-payment of premiums due, GTE shall have the option of paying any amount due and Licensee shall forthwith reimburse GTE the full amount paid by GTE.

- 20.3 Licensee shall promptly advise GTE in writing of any and all claims for damages, including, but not limited to, damage to property or injury to or death of persons, allegedly arising out of or in any manner related, directly or indirectly, to the presence or use of Licensee's Attachments.
- 20.4 Licensee shall furnish bond or satisfactory evidence of contractual insurance coverage, the terms of which shall be subject to GTE's approval, in the amount of ten thousand dollars (\$10,000) to guarantee the payment of any sums which may become due to GTE for rentals, inspections or for work performed by GTE for the benefit of Licensee under this Agreement, including the removal of Licensee's equipment pursuant to any of the provisions hereof. All bonds must specify that GTE be notified thirty (30) calendar days prior to the expiration or cancellation of the policy.

21. Taxes.

Any state or local excise, sales, or use taxes or other surcharges or fees (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes, surcharges or fees is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, surcharges or fees, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes, surcharges or fees shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any such taxes, surcharges or fees that may be subsequently levied on payments by the other Party by the collecting Party.

22. Emergency Restoration Procedures.

In the event of an emergency, restoration procedures may be affected by the presence of Licensee's Attachments. While GTE shall not be responsible for the repair of Licensee's Attachments that are damaged (except by mutual written agreement), GTE shall nonetheless control access to its poles if the restoration is to be achieved in an orderly fashion. Licensee agrees to reimburse GTE for the cost of all labor, equipment, and/or materials furnished by GTE in support of any restoral operations from which Licensee is a beneficiary.

- 22.1 Where multiple parties are involved in emergency restorations, access to GTE's poles will be controlled by GTE's Maintenance District Manager or his/her on-site representative according to the following guidelines:

22.1.1 Service Disruptions/Outages

- a. In the event of service disruptions and/or outages, GTE shall make all reasonable efforts to grant access to as many other entities with Attachments as is reasonably safe.
- b. Where simultaneous access is not possible, access will be granted by GTE on a first come, first served basis.

22.1.2 Service Affecting Emergencies

- a. In the event of service affecting emergencies not resulting in service disruptions or outages, GTE shall make all reasonable efforts to grant access to as many other entities with Attachments as is reasonably safe.
- b. Where GTE is unable to grant simultaneous access to all other entities with Attachments, access will be granted according to the level of damage to the Attachments of each entity and the likelihood that a given level of damage will result in service disruption. Where the likelihood that a service disruption will result is not clearly discernible, access will be on a first come, first served basis.

22.2 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Attachments, or any action or failure to act by GTE, under this Section 22 shall not constitute a basis for any claim by Licensee against GTE for any damage to Licensee's Attachments or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee.

23. Damage Suspected to Licensee's Facilities Only.

- 23.1 In the event Licensee receives information that Licensee's Attachments are damaged, Licensee shall notify GTE of said damage at a number to be provided later by GTE. This is a 24-hour, 7 days per week notification number. Licensee shall provide GTE all information known to it regarding the damage to Licensee's Attachments.
- 23.2 In the event GTE receives notice that Licensee's Attachments are damaged, GTE will notify Licensee of said damage by telephone at the Licensee's emergency telephone number. GTE shall provide Licensee all information known to it regarding the damage to Licensee's Attachments.
- 23.3 After the giving of such notice by either Licensee or GTE, Licensee shall be authorized to perform emergency restoration maintenance activities in connection with Licensee's Attachments, subject to the provisions of this Agreement.
- 23.4 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's Attachments, or any action or failure to act by GTE, appropriately or inappropriately, under this Section shall not be the basis for any claim by Licensee against GTE for any damage to Licensee's Attachments or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by

Licensee and Licensee shall indemnify and hold GTE harmless from any such claim.

24. Abandonment.

Nothing in this Agreement shall prevent or be construed to prevent GTE from abandoning, selling, assigning or otherwise disposing of any poles or other GTE property used for Licensee's Attachments; provided, however, that GTE shall condition any such sale, assignment or other disposition subject to the rights granted to Licensee pursuant to this Agreement. GTE shall promptly notify Licensee of any proposed sale, assignment or other disposition of any poles or other GTE property used for Licensee's Attachments.

25. Notices.

Any written notice to be given to a party to this Agreement shall be in writing and given or made by means of telegram, facsimile transmission, certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges prepaid, and addressed or directed to the respective parties as follows:

To Licensee:

To GTE:

Any notice given by personal delivery shall be deemed to have been given on the day of actual delivery and, if given by registered or certified mail, return receipt requested, on the date of receipt thereof and, if given by facsimile transmission, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next Business Day if not given during normal business hours.

26. Non-Waiver of Terms and Conditions.

No course of dealing, course of performance or failure to enforce any of term, right, condition or other provision of this Agreement shall constitute or be construed as a waiver of any term, right or condition or other provision of this Agreement.

27. Confidential Information.

27.1 Identification. Either party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the

other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.

- 27.2 Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:
- 27.2.1 That all Confidential Information shall be and shall remain the exclusive property of the source;
 - 27.2.2 To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - 27.2.3 To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - 27.2.4 Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - 27.2.5 To return promptly any copies of such Confidential Information to the source at its request; and
 - 27.2.6 To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.
- 27.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 27.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

28. Dispute Resolution.

- 28.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this

dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

- 28.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.
- 28.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- 28.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 28.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 28.5 Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of

documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.

28.6 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement.

29. Compliance With Laws and Regulations.

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

30. Force Majeure.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.

31. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

32. Applicable Law.

This Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.

33. Subsequent Law.

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.

34. Headings.

The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

35. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their authorized representatives.

For GTE _____ INCORPORATED

For LICENSEE:

(Signature of Authorized Agent)

(Signature of Officer)

(Printed Name of Authorized Agent)

(Printed Name of Officer)

(Title)

(Title)

(Date)

(Date)

ATTEST:

Corporate Seal (If Applicable)

EXHIBIT 1
POLE ATTACHMENT REQUEST
(FOR FUTURE USE)

EXHIBIT 2
SPECIFICATION DOCUMENTS
(FOR FUTURE USE)

EXHIBIT 3
ATTACHMENT FEES
(FOR FUTURE USE)

APPENDIX I
CONDUIT OCCUPANCY AGREEMENT

1. Parties.

This agreement (Agreement) is between GTE _____ INCORPORATED, a State of _____ corporation having its principal office at _____ ("GTE"), and COVAD COMMUNICATIONS COMPANY, a corporation of the State of _____, having its principal office at _____ ("Licensee"). (GTE and Licensee sometimes referred to collectively as the "Parties" or individually as a "Party").

2. Definitions.

2.1 Business Day - Monday through Friday, except for holidays on which the U. S. Mail is not delivered.

2.2 Conduit Occupancy Request (COR) - a written request from Licensee to occupy GTE's Conduit Innerduct system with its Facilities, submitted in accordance with Section 6 of this Agreement. For Agreements in effect prior to the (date this agreement is executed by the parties), the term COR shall be deemed to include Conduit occupancy requests made by letter or similar document.

2.3 Duct - a single enclosed path used to house innerduct.

2.4 Facilities - all facilities, including, but not limited to, cables, equipment and associated hardware, owned and utilized by the Licensee which occupy an Innerduct or Duct.

2.5 GTE's conduit(s) or GTE conduit(s) - any reinforced passage or opening in, on, under, over or through the ground capable of containing communications facilities.

2.6 Hazardous Materials - (i) any substance, material or waste now or hereafter defined or characterized as hazardous, extremely hazardous, toxic or dangerous within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any similar law, ordinance, statute, rule or regulation of any governmental body or authority; (ii) any substance, material or waste now or hereafter classified as a contaminant or pollutant under any law, ordinance, statute, rule or regulation of any governmental body or authority; or (iii) any other substance, material or waste, the manufacture, processing, distribution, use, treatment, storage, placement, disposal, removal or transportation of which is now or hereafter subject to regulation under any law, ordinance, statute, rule or regulation of any governmental body or authority.

2.7 Innerduct - unless otherwise specified or approved by GTE, a single enclosed raceway 1" or 1-1/4" in diameter, placed within duct and used for housing communications facilities.

2.8 Make-Ready Work - all work, including, but not limited to, rearrangement, removal, or transfer of existing facilities, placement, repair, or replacement of duct or innerduct, or any other changes required to accommodate the Licensee's Facilities in a conduit.

2.9 Manholes and Handholes - subsurface enclosures which personnel may enter and use for the purpose of installing, operating and maintaining communications facilities.

2.10 Occupancy Fee - the fee paid by Licensee to GTE per linear foot for each innerduct occupied by Licensee's Facilities in GTE's Conduit(s). Occupancy Fees are specified in Section 12.

2.11 Telecommunications Services - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

3. Purpose.

Licensee represents to GTE that Licensee has a need to occupy, place and maintain communications facilities within GTE's conduit(s) for the purpose of providing Telecommunications Service. GTE agrees to permit Licensee to occupy, place and maintain communications facilities within GTE's conduit(s) as GTE may allow pursuant to the terms of this Agreement.

4. Grant of License.

GTE grants to Licensee and Licensee accepts from GTE a non-exclusive revocable license to occupy, place and maintain in a designated space in specified GTE conduits Licensee's Facilities on the terms and conditions set forth herein. Licensee shall have no further right, title, or other interest in connection with GTE's conduit(s). GTE shall have the right to grant, renew or extend privileges to others not parties to this Agreement to occupy, place and maintain facilities in or otherwise use any or all of GTE's conduit(s). Nothing herein is intended to, nor should it be construed to require GTE to construct or modify any facilities not needed for its own service requirements. GTE grants this license in reliance on the representation of Licensee that Licensee intends to provide Telecommunications Service with Licensee's Facilities covered by this Agreement.

5. Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than ninety (90) calendar days prior to the end of the current term, this Agreement shall remain in effect for ninety (90) calendar days after such notice is received, provided, that in no case shall the term be extended beyond ninety (90) calendar days after the end of the current term.

6. Conduit Occupancy Requests.

6.1 Upon execution of this Agreement, Licensee shall have the right to submit a written Conduit Occupancy Request (COR) as shown in Exhibit 1, to GTE specifying the GTE conduits in which it desires to place its Facilities and whether the facilities are for Telecommunications Services. Each COR shall be in a form specified by GTE, which form may be revised from time to time by GTE. CORs received by GTE shall

be processed on a first come, first served basis. GTE will determine the availability of space for Licensee's Facilities in the GTE conduit(s) specified in the COR within thirty (30) Business Days of its submission. Upon approval of the COR, GTE shall return a copy thereof to Licensee bearing an endorsement acknowledging GTE's authorization. All of Licensee's Facilities placed in GTE's conduit(s) pursuant to an approved COR shall become subject to all of the terms and conditions of this Agreement. Licensee may submit subsequent CORs for approval by GTE as needed. All of Licensee's Facilities shall be placed in innerduct unless otherwise approved by GTE. No facilities of any kind shall be placed in any GTE conduit(s) identified in a COR until that COR has been approved by GTE.

- 6.2 Licensee shall pay GTE a fee for processing a COR to compensate GTE for the general administrative costs as well as the actual engineering costs reasonably incurred. The fee for engineering costs shall be computed by multiplying the fully loaded hourly rate for an engineer times the number of hours reasonably required by each engineer to inspect the GTE conduits included in the COR. GTE will charge its then current rates for administrative and engineering costs, as may be changed from time to time by GTE to remain consistent with prevailing costs.
- 6.3 Upon receiving an approved COR, Licensee shall have the right, subject to the terms of this Agreement, to place and maintain Licensee's Facilities described in the COR in the innerducts of the GTE conduit(s) identified therein.
- 6.4 In the event Make-Ready Work is necessary to accommodate Licensee's Facilities, GTE shall notify Licensee of such fact and provide Licensee with an estimate of the total cost of such Make-Ready Work. Within fifteen (15) Business Days after receiving such notice from GTE, Licensee shall notify GTE either (1) that Licensee shall pay all of the costs actually incurred to perform the Make-Ready Work and shall pay the total estimated amount to GTE at least ten (10) Business Days prior to the date the Make-Ready Work is to begin or (2) that it desires to cancel its COR. Upon completion of the Make-Ready Work any outstanding balance due to GTE or credit due to the Licensee will be billed within ten (10) Business Days.
- 6.5 Nothing herein shall confer any right upon Licensee to place power cables or related power equipment in GTE conduit(s) or Manholes. Licensee shall place equipment of this nature in its own pull boxes outside of GTE's Conduit(s) or Manholes. Cable connectors or splicing devices shall not be used by Licensee in GTE's conduit(s) or innerducts.

7. Availability of Conduit Maps.

Existing conduit maps will be made available for viewing by Licensee for the purpose of pre-order planning at the GTE area engineering offices during normal business hours, subject to reasonable advance notification. While a formal written request will not be required in connection with the first request by Licensee to view conduit maps, GTE reserves the right to refuse any subsequent viewing request or require written justification for the request if Licensee has demonstrated that it does not have a good faith intention to submit a COR. If the availability of specific point-to-point conduits can be determined at the time of viewing conduit maps, maps reflecting such point-to-point conduits may be made available for copying. Licensee shall pay to GTE a fee for making such copies available sufficient to cover the general administrative costs incurred. IN MAKING CONDUIT MAPS AVAILABLE, GTE WILL BE MAKING NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND, INCLUDING LIMITATION, MERCHANTABILITY, FITNESS FOR A PARTICULAR

PURPOSE OR ACCURACY, OTHER THAN THAT THEY ARE THE SAME CONDUIT MAPS USED BY GTE IN ITS DAY-TO-DAY OPERATIONS.

8. Availability of Information Regarding Space In Conduits.

GTE will provide information regarding the availability of conduit space within thirty (30) Business Days of a written request by Licensee. Because GTE will endeavor to determine available space as quickly as possible, a shorter interval may be experienced for requests of a limited scope where GTE determines in its sole discretion that physical field verification is not necessary. In the event the thirty (30) Business Day time frame cannot be met, GTE shall so advise Licensee and shall seek a mutually satisfactory alternative response date. Subject to the exemption stated above, no representation regarding the availability of space shall be made or accepted in the absence of a physical field verification.

9. Authority to Place Licensee's Facilities.

9.1 Before Licensee places any of Licensee's Facilities in GTE's conduit(s) pursuant to an approved COR, Licensee, upon request, shall submit evidence satisfactory to GTE, including but not limited to an affidavit, to GTE of its authority to maintain the Facilities to be placed in GTE's conduit(s) within the public streets, highways and other thoroughfares or on private property. Licensee shall be solely responsible for obtaining all licenses, authorizations, permits and consents from federal, state and municipal authorities or private property owners that may be required to place and maintain Licensee's Facilities in GTE's conduit(s).

9.2 GTE shall not attempt to prevent or delay the granting of any ROW, easements, licenses, authorizations, permits and consents from any federal, state or municipal authorities, or private property owners that may be required by Licensee to place Licensee's Facilities in GTE's conduit(s).

9.3 If any ROW, easement, license, authorization, permit or consent obtained by Licensee is subsequently revoked or denied for any reason, Licensee's permission to occupy GTE's conduit(s) shall terminate immediately and Licensee shall promptly remove Licensee's Facilities. Should Licensee fail to remove Licensee's Facilities within sixty (60) calendar days of receiving notice to do so from GTE, GTE shall have the option to remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Facilities shall be reimbursed to GTE by Licensee upon demand.

9.4 Upon notice from GTE to Licensee that the cessation of the use of any portion of GTE's conduit(s) has been ordered or directed by any federal, state or municipal authority, or private property owner, Licensee's permission to occupy such GTE conduit(s) shall terminate immediately and Licensee promptly shall remove Licensee's Facilities. Should Licensee fail to remove Licensee's Facilities within sixty (60) calendar days of receiving notice to do so from GTE, GTE shall have the option to remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Facilities shall be reimbursed to GTE by Licensee upon demand by GTE.

10. Placement of Licensee's Facilities.

- 10.1 Licensee shall, at its sole expense, place and maintain Licensee's Facilities in GTE's conduit(s) in accordance with (i) such requirements and specifications as GTE shall from time to time prescribe in writing, (ii) all rules or orders now in effect or that hereafter may be issued by any regulatory agency or other authority having jurisdiction, and (iii) all currently applicable requirements and specifications of the National Electrical Safety Code, and the applicable rules and regulations of the Occupational Safety And Health Act. Licensee agrees to comply, at its sole risk and expense, with all specifications included in Exhibit 2 hereto, as may be revised from time to time by GTE.
- 10.2 Licensee's Facilities shall be tagged at each manhole so as to identify Licensee as the owner of the Facilities. The tags shall be of sufficient size and lettering so as to be easily read.

11. Failure of Licensee to Occupy Conduit Space.

Upon approval of a COR, Licensee shall have sixty (60) calendar days in which to begin the placement of Licensee's Facilities in the GTE conduit(s) covered by the COR. If Licensee has not begun placing its Facilities within that sixty (60) calendar day period, Licensee shall so advise GTE with a written explanation for the delay. If Licensee fails to advise GTE of its delay, with a written explanation therefor, or if Licensee fails to act in good faith by not making a bona fide effort to begin placing its Facilities within the sixty (60) calendar days prescribed by this Section, the previously approved COR shall be deemed rescinded by GTE and Licensee shall have no further right to place Licensee's Facilities pursuant to that COR.

12. Occupancy Fees.

- 12.1 Licensee shall pay to GTE an annual Occupancy Fee, as specified in Exhibit 3 hereto, for each linear foot of facilities placed in innerduct occupied by Licensee's Facilities in GTE's conduit(s). If Licensee's Facilities occupy more than one innerduct, a separate Occupancy Fee shall be paid by Licensee for each innerduct occupied. The Occupancy Fee specified in Exhibit 3 hereto is the fee applicable to 1" or 1-1/4" diameter innerduct. GTE reserves the right to charge a higher fee for innerduct of greater diameter. The Occupancy Fee may be increased by GTE from time to time as permitted by law upon sixty (60) calendar days, or the appropriate number of days prescribed by federal, state or local government authority days written notice to Licensee.
- 12.2 Occupancy Fees shall be billed in advance and become due and payable on the date a COR is approved by GTE for all GTE Innerducts identified in that COR on a pro rata basis until the end of the calendar year and thereafter on an annual basis within thirty (30) calendar days of the receipt of a statement from GTE specifying the fees to be paid. If any undisputed amount due on the billing statement is not received by GTE on the payment due date, GTE may charge, and Licensee agrees to pay, at GTE's option, interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable GTE/Contel state access tariffs or the GTOC/GSTC FCC No. 1 tariff, one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.

- 12.3 GTE shall maintain an inventory of the total linear footage of innerduct occupied by Licensee's Facilities in GTE's conduit(s) based upon the cumulative linear footage per Innerduct and/or Duct from all CORs approved by GTE. GTE may, at its option, conduct a physical inventory of Licensee's Facilities for purposes of determining the Occupancy Fees to be paid by Licensee under this section. At GTE's election, such physical inventories shall be conducted upon renegotiation of this Agreement or any subpart or appendix thereof, and a maximum of one time per calendar year thereafter. The costs incurred by GTE to conduct the physical inventory shall be reimbursed to GTE by the Licensee upon demand by GTE. It shall be Licensee's sole responsibility to notify GTE of any and all removals of Licensee's Facilities from GTE's conduit(s). Written notice of such removals (unless they are covered by Section 18 of this Agreement) shall be provided to GTE at least thirty (30) days prior to the removal. Each Notice of Removal shall be in a form specified by GTE. Licensee shall remain liable for all Occupancy Fees until Licensee's Facilities have been physically removed from GTE's conduits.
- 12.4 In addition to the occupancy fees above, if at any time the licensee is allowed by GTE to enter a manhole through means other than GTE's existing conduit or ducts, an annual charge per foot of facilities placed within the manhole system will apply as well as any previously identified make-ready charges.

13. Modifications, Additions or Replacements of Licensee's Facilities.

- 13.1 Licensee shall not modify, add to or replace Licensee's Facilities in any GTE conduit(s) without first notifying GTE in writing of the intended modification, addition or replacement at least thirty (30) calendar days prior to the date the activity is scheduled to begin. The required notification shall include: (1) the date the activity is scheduled to begin, (2) a description of the planned modification, addition or replacement, (3) a representation that the modification, addition or replacement will not require any space other than the space previously designated for Licensee's Facilities, and (4) a representation that the modification, addition or replacement will not impair the structural integrity of the GTE Conduit(s) involved and (5) a representation that the modification, addition, or replacement will not impact other Licensee's facilities.
- 13.2 Should GTE determine that the modification, addition or replacement specified by Licensee in its notice will require more space than that allocated to Licensee or will require any modification, replacement or reinforcement of the GTE conduit(s) involved in order to accommodate Licensee's modification, addition or replacement, GTE will so notify Licensee, whereupon Licensee shall be required to submit a COR in compliance with this Agreement in order to obtain authorization for the modification, addition or replacement of Licensee's Facilities.
- 13.3 Access to GTE's conduit(s) for repairs, modifications, additions, or replacements required in emergency situations shall be governed by the provisions of Section 22 of this Agreement.

14. Unauthorized Occupancy of GTE Conduit.

- 14.1 The parties agree that, because it would be impracticable and extremely difficult to determine the amount of actual damages resulting from Licensee's unauthorized occupancy, a charge equal to five (5) times the amount of the then current Occupancy Fee shall be paid by Licensee to GTE for each unauthorized occupancy of GTE's conduit(s) by Licensee. Such payment shall be deemed liquidated

damages and not a penalty. Licensee also shall pay GTE an Occupancy Fee for each unauthorized occupancy accruing from the date the unauthorized occupancy first began. In the event that the date the unauthorized occupancy first began cannot be determined, such date shall be deemed the date of the last physical inventory made in accordance with this Agreement or, if no physical inventory has been conducted, the date the first COR from Licensee was approved in accordance with this Agreement. Licensee also shall pay to GTE all costs incurred by GTE to rearrange Licensee's Facilities that are unauthorized if such rearrangement is required to safeguard GTE's facilities or to accommodate the facilities of another party whose facilities would not have required a rearrangement but for the presence of Licensee's unauthorized facilities. Licensee also shall pay to GTE all costs incurred by GTE to reinforce, replace or modify any GTE conduit(s), which reinforcement, replacement or modification is required as a result of the unauthorized occupancy by Licensee. The Occupancy Fee referenced in this subsection 14.1 shall be determined in the same manner as such a fee would have been determined if the occupancy had been authorized by GTE.

14.2 Once GTE has notified Licensee of an unauthorized Occupancy, the Licensee can submit a COR to request an authorized Occupancy. A COR submitted per this provision will be treated like any other COR subject to this agreement. Licensee will be responsible for all fees associated with a COR (as identified in this agreement). If a COR is not received by GTE within ten (10) Business Days of Licensee's receipt of an unauthorized Occupancy notification, then Licensee has sixty (60) calendar days from the date of its receipt of the initial unauthorized Occupancy notification to vacate the unauthorized Occupancy.

14.3 For purposes of this section, an unauthorized occupancy shall include, but not be limited to:

14.3.1 The presence of Licensee's Facilities in any GTE conduit which conduit is not identified in any COR approved in accordance with this Agreement;

14.3.2 The presence of Licensee's Facilities in any GTE conduit that occupies more space than that allocated to Licensee by GTE;

14.3.3 Licensee's Facilities that are not placed in accordance with the provisions of this Agreement or the appropriate COR issued pursuant to this Agreement;

14.3.4 An addition or modification by Licensee to its pre-existing Facilities in any GTE conduit that impairs the structural integrity of that GTE conduit or GTE facilities or those of other licensees.

14.3.5 The presence of facilities in GTE's conduit(s) placed by Licensee that are owned or controlled by and for the use of a party other than Licensee.

15. Surveys and Inspections of Facilities.

15.1 Upon written notice to Licensee, the total number and exact location of Licensee's Facilities in GTE's Conduit(s) may be determined, at GTE's discretion, through a survey to be made not more than once per calendar year by GTE. If so requested, Licensee and/or any other entity owning or jointly owning the Conduit with GTE may participate in the survey. The costs incurred by GTE to conduct the survey shall be reimbursed to GTE by Licensee upon demand by GTE. If the facilities of more than

one Licensee are surveyed, each such Licensee shall contribute a proportionate share of the costs reimbursed to GTE.

- 15.2 Apart from surveys conducted in accordance with this section, GTE shall have the right to inspect any facility of Licensee on GTE's Conduit(s) as conditions may warrant upon thirty (30) calendar days written notice to Licensee. Licensee shall, upon demand by GTE, reimburse GTE all costs incurred to conduct its inspection. No joint survey or inspection, or lack thereof, by GTE shall operate to relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.

16. Modification or Alteration GTE Conduits.

- 16.1 In the event GTE plans to modify or alter any GTE conduit(s) that house Licensee's Facilities, GTE shall provide Licensee notice of the proposed modification or alteration at least thirty (30) calendar days prior to the time the proposed modification or alteration is scheduled to take place. Should Licensee decide to simultaneously modify or alter Licensee's Facilities in the GTE conduit(s) to be modified or altered by GTE, Licensee shall so notify GTE in writing at least 15 calendar days prior to when the work is to begin. In such event, Licensee shall bear a proportionate share of the total costs incurred by GTE to make the GTE conduit(s) accessible. Licensee's proportionate share of the total cost shall be based on the ratio of the amount of new space occupied by Licensee to the total amount of new space occupied by all of the parties joining in the modification.

- 16.2 In the event GTE moves, replaces or changes the location, alignment or grade of GTE's conduit(s) ("relocation") for reasons beyond GTE's control, Licensee concurrently shall relocate Licensee's Facilities. Licensee shall be solely responsible for the costs of the relocation of Licensee's Facilities.

17. Disclaimer of Warranties.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, GTE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

18. Default and Remedies.

- 18.1 The occurrence of any one of the following shall be deemed a "Material Default" by Licensee under this Agreement:
- 18.1.1 Failure by Licensee to pay any fee or other sum required to be paid under the terms of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof to Licensee;
- 18.1.2 Failure by Licensee to perform or observe any other term, condition, covenant, obligation or provision of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof from GTE (provided that if such default is not curable within such thirty (30) day period, the period will be extended if Licensee commences to cure such default within such thirty (30) calendar day period and proceeds diligently thereafter to effect such cure);

- 18.1.3 The filing of any tax or mechanic's lien against any GTE conduit(s) which is not bonded or discharged within thirty (30) calendar days of the date Licensee receives notice that such lien has been filed;
 - 18.1.4 Licensee's voluntary or involuntary bankruptcy;
 - 18.1.5 Licensee's knowing use or maintenance of Licensee's Facilities in violation of any law or regulation, or in aid of any unlawful act or undertaking;
 - 18.1.6 The denial or revocation of any authorization which may be required of the Licensee by any governmental or private authority for the placement, operation or maintenance of Licensee's Facilities.
- 18.2 In the event of a Material Default, GTE, without any further notice to the Licensee (except where expressly provided for below or required by applicable law) may do any one or more of the following:
- 18.2.1 Perform, on behalf and at the expense of Licensee, any obligation of Licensee under this Agreement which Licensee has failed to perform and of which GTE shall have given Licensee notice, the cost of which performance shall be paid by Licensee to GTE upon demand;
 - 18.2.2 Terminate this Agreement by giving notice of such termination to Licensee and upon sixty (60) calendar days written notice remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby; or
 - 18.2.3 Exercise any other legal or equitable right or remedy which GTE may have.
- 18.3 Any costs and expenses incurred by GTE (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement shall be paid to GTE by Licensee upon demand.
- 18.4 Upon termination of this Agreement by GTE because of Material Default by Licensee, Licensee shall remain liable to GTE for any and all fees, other payments and damages which may be due or sustained prior to such termination, all reasonable costs, fees and expenses, including, without limitation, reasonable attorneys' fees incurred by GTE in pursuit of its remedies hereunder. In addition to and notwithstanding Section 14 the parties agree that, because it would be impracticable and extremely difficult to determine the amount of actual damages resulting from Licensee's unauthorized Occupancy, additional liquidated damages for termination because of Material Default shall be an amount equal to one full year of Occupancy Fees.
- 18.5 All rights and remedies of GTE set forth in this Agreement shall be cumulative and none shall exclude any other right or remedy, now or hereafter allowed by or available under any statute, ordinance, rule of court, or the common law, either at law or in equity, or both.

19. Indemnification.

- 19.1 Licensee shall compensate GTE for the full actual loss, damage or destruction of GTE's property that in any way arises from or is related to this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Facilities).
- 19.2 Licensee will further indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns, from any and all losses, damages, costs, expenses (including, without limitation, reasonable attorneys' fees), statutory fines or penalties, actions or claims for personal injury (including death), damage to property, or other damage or financial loss of whatever nature in any way arising out of or connected with this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Facilities). Licensee further indemnifies GTE from subsequent taxes and fees that may be levied by municipalities or other governmental entities for an Indemnifying party's use of public rights-of-way in association with these agreements. Such fees that are levied would be in addition to the attachment/occupancy fees reflected in this Agreement. Licensee expressly assumes all liability for actions brought against GTE and GTE's agents, officers, employees and assigns, by Licensee's agents, officers or employees and Licensee expressly waives any immunity from the enforcement of this indemnification provision that might otherwise be provided by workers' compensation law or by other state or federal laws.
- 19.3 Without limiting any of the foregoing, Licensee assumes all risk of, and agrees to relieve GTE of any and all liability for, loss or damage (and the consequences of loss or damage) to any of Licensee's Facilities placed in any GTE conduit(s) and any other financial loss sustained by Licensee, whether caused by fire, extended coverage perils, or other casualty.
- 19.4 Without limiting the foregoing, Licensee expressly agrees to indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns from any and all claims asserted by customers of Licensee in any way arising out of or in connection with this Agreement or Licensee's Occupancy.
- 19.5 Notwithstanding anything to the contrary in this Agreement, Licensee further shall indemnify and hold harmless GTE, its agents, officers, employees and assigns from and against any claims, liabilities, losses, damages, fines, penalties and costs (including, without limitation, reasonable attorneys' fees) whether foreseen or unforeseen, which the indemnified parties suffer or incur because of: (i) any discharge of Hazardous Material resulting from acts or omissions of Licensee or the Licensee's predecessor in interest; (ii) acts or omissions of the Licensee, its agents, employees, contractors, representatives or predecessor in interest in connection with any cleanup required by law, or (iii) failure of Licensee or the Licensee's predecessor in interest to comply with environmental, safety and health laws.
- 19.6 In no event shall GTE be liable to Licensee for any special, consequential or indirect damages (including, without limitation, lost revenues and lost profits) arising out this Agreement or any obligation arising hereunder, whether in an action for or arising out of breach of contract, tort or otherwise.

19.7 Licensee shall indemnify, protect and hold harmless GTE from and against any and all claims for libel and slander, copyright and/or patent infringement arising directly or indirectly by reason of installation of Licensee's equipment in GTE's Ducts pursuant to this Agreement.

20. Insurance.

20.1 Licensee shall carry insurance, at its sole cost and expense, sufficient to cover its indemnification obligations as set forth in Section 19 of this Agreement. Such insurance shall include, but not be limited to, coverage against liability due to personal injury or death of persons in the amount of \$500,000 as to any one person and \$1,000,000 as to any one accident; coverage against liability due to property damage in the amount of \$500,000 as to each accident and \$500,000 aggregate; and coverage necessary to fully protect both it and GTE from all claims under any worker's compensation laws that may be applicable.

20.2 All insurance required of Licensee under this Agreement shall remain in force for the entire life of this Agreement. The company or companies issuing such insurance shall be approved by GTE and GTE shall be named as an additional insured in each such policy. Licensee shall submit to GTE certificates by each insurer to the effect that the insurer has insured Licensee for all potential liabilities of Licensee under this Agreement, and that it will not cancel or change any policy of insurance issued to Licensee except upon thirty (30) calendar days notice to GTE. In the event Licensee's insurance coverage is to be canceled by reason of non-payment of premiums due, GTE shall have the option of paying any amount due and Licensee shall forthwith reimburse GTE the full amount paid by GTE.

20.3 Licensee shall promptly advise GTE in writing of any and all claims for damages, including, but not limited to, damage to property or injury to or death of persons, allegedly arising out of or in any manner related, directly or indirectly, to the presence or use of Licensee's Facilities in GTE's Conduit, Ducts or Innerducts.

20.4 Licensee shall furnish bond or satisfactory evidence of contractual insurance coverage, the terms of which shall be subject to GTE's approval, in the amount of ten thousand dollars (\$10,000) to guarantee the payment of any sums which may become due to GTE for rentals, inspections or for work performed by GTE for the benefit of Licensee under this Agreement, including the removal of Licensee's equipment pursuant to any of the provisions hereof. All bonds must specify that the GTE be notified thirty (30) calendar days prior to the expiration or cancellation of the policy.

21. Taxes, Surcharges and Fees.

Any state or local excise, sales, or use taxes or other surcharges or fees (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes, surcharges or fees is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, surcharges or fees, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes, surcharges or fees shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit

of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party [by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any such taxes, surcharges or fees that may be subsequently levied on payments by the other Party by the collecting Party.

22. Emergency Restoration Procedures.

In the event of an emergency, restoration procedures may be affected by the presence of Licensee's Facilities in GTE's conduit(s). While GTE shall not be responsible for the repair of Licensee's Facilities that are damaged (except by mutual written agreement), GTE shall nonetheless control access to its Conduits if the restoration is to be achieved in an orderly fashion. Licensee agrees to reimburse GTE for the cost of all labor, equipment, and/or materials furnished by GTE in support of any restoral operations from which Licensee is a beneficiary.

22.1 Where multiple parties are involved in emergency restorations, access to GTE's conduit(s) will be controlled by GTE's Maintenance District Manager or his/her on-site representative according to the following guidelines:

22.1.1 Service Disruptions/Outages

- a. In the event of service disruptions and/or outages, GTE shall make all reasonable efforts to grant access to as many other entities with facilities in GTE's conduit(s) as is reasonably safe.
- b. Where simultaneous access is not possible, access will be granted by GTE on a first come, first served basis.

22.1.2 Service Affecting Emergencies

- a. In the event of service affecting emergencies not resulting in service disruptions or outages, while exercising its right to first access, GTE shall make all reasonable efforts to grant access to as many other entities with facilities in GTE's conduit(s) as is reasonably safe.
- b. Where GTE is unable to grant simultaneous access to all other entities with facilities in GTE's conduit(s), access will be granted according to the level of damage to the facilities of each entity and the likelihood that a given level of damage will result in service disruption. Where the likelihood that a service disruption will result is not clearly discernible, access will be on a first come, first served basis.

22.2 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's Facilities, or any action or failure to act by GTE under this Section 22 shall not constitute a basis for any claim by Licensee against GTE for any damage to Licensee's Facilities or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee.

23. Damage Suspected to Licensee's Facilities Only.

23.1 In the event Licensee receives information that Licensee's Facilities are damaged, Licensee shall notify GTE of said damage at a number to be provided later by GTE.

This is a 24-hour, 7 days per week notification number. Licensee shall provide GTE all information known to it regarding the damage to Licensee's Facilities.

- 23.2 In the event GTE receives notice that Licensee's Facilities are damaged, GTE will notify Licensee of said damage by telephone at the Licensee's emergency telephone number. GTE shall provide Licensee all information known to it regarding the damage to Licensee's Facilities.
- 23.3 After the giving of such notice by either Licensee or GTE, Licensee shall be authorized to perform emergency restoration maintenance activities in connection with Licensee's Facilities, subject to the provisions of this Agreement.
- 23.4 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's facilities, or any action or failure to act by GTE, appropriately or inappropriately, under this Section shall not be the basis for any claim by Licensee against GTE for any damage to Licensee's Facilities or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee and Licensee shall indemnify and hold GTE harmless from any such claim.

24. Access to GTE's Manholes/Handholes.

- 24.1 GTE will allow Licensee to audit manholes/handholes that are included in any COR submitted to GTE to confirm usability. Licensee shall give GTE at least thirty (30) calendar days advance written notice of its desire to audit and shall obtain all authorizations from appropriate authorities required to open the Manholes/Handholes. GTE shall have the right to have a GTE employee or agent present when its Manholes/Handholes are being opened. Such GTE employee or agent shall have the authority to suspend Licensee's activities in and around GTE's Manholes/Handholes if, in the sole discretion of said employee or agent, any hazardous conditions arise or any unsafe practices are being followed by Licensee's employees, agents, or contractors. Licensee agrees to reimburse GTE the cost of having GTE's employee or agent present. Such charge shall be GTE's fully loaded labor rates then in effect.
- 24.2 For purposes other than to audit usability, GTE's Manholes/Handholes shall be opened only as permitted by GTE and only after Licensee has obtained all necessary authorizations from appropriate authorities to open Manholes/Handholes and conduct work operations therein. GTE shall have the right to have a GTE employee or agent present at any site at which its Manholes/Handholes are being opened. Such GTE employee or agent shall have the authority to suspend Licensee's work operations in and around GTE's Manholes/Handholes if, in the sole discretion of said employee or agent, any hazardous conditions arise or any unsafe practices are being followed by Licensee's employees, agents, or contractors. Licensee agrees to reimburse GTE the cost of having GTE's employee or agent present. Such charge shall be GTE's fully loaded labor rates then in effect. The presence of GTE's authorized employee or agent shall not relieve Licensee of its responsibility to conduct all of its work operations in and around GTE's conduit(s) in a safe and workmanlike manner, in accordance with the terms of this Agreement nor result in any assumption of risk or waiver or remedies by GTE.

25. Abandonment.

Nothing in this Agreement shall prevent or be construed to prevent GTE from abandoning, selling, assigning or otherwise disposing of any GTE conduit(s) or other GTE property used in connection with Licensee's Facilities; provided, however, that GTE shall condition any such sale, assignment or other disposition subject to the rights granted to Licensee pursuant to this Agreement. GTE shall promptly notify Licensee of any proposed sale, assignment or other disposition of any GTE conduit(s) or other GTE property used in connection with Licensee's Facilities.

26. Notices.

Any written notice to be given to a party to this Agreement shall be in writing and given or made by means of telegram, facsimile transmission, certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges prepaid, and addressed or directed to the respective parties as follows:

To Licensee:

To GTE:

Any notice given by personal delivery shall be deemed to have been given on the day of actual delivery and, if given by registered or certified mail, return receipt requested, on the date of receipt thereof and, if given by facsimile transmission, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next Business Day if not given during normal business hours.

27. Non-Waiver of Terms and Conditions.

No course of dealing, course of performance or failure to enforce any of term, right, condition or other provision of this Agreement shall constitute or be construed as a waiver of any term, right or condition or other provision of this Agreement.

28. Confidential Information.

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

- 28.2 Handling. In order to protect such Confidential Information from improper disclosure, each party agrees:
- 28.2.1 That all Confidential Information shall be and shall remain the exclusive property of the source;
 - 28.2.2 To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - 28.2.3 To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - 28.2.4 Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - 28.2.5 To return promptly any copies of such Confidential Information to the source at its request; and
 - 28.2.6 To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the parties in writing.
- 28.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 28.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

29. Dispute Resolution.

- 29.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

- 29.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.
- 29.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- 29.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 29.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 29.5 Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.

29.6 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement.

30. Compliance With Laws and Regulations.

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

31. Force Majeure.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease

32. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

33. Applicable Law.

This Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.

34. Subsequent Law.

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.

35. Headings.

All headings contained in this Agreement are for convenience only and are not intended to affect the meaning or interpretation of any part of this Agreement.

36. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their authorized representatives.

For GTE _____ INCORPORATED :

For LICENSEE:

(Signature of Authorized Agent)
(Printed Name of Authorized Agent)
(Title)
(Date)

(Signature of Officer)
(Printed Name of Officer)
(Title)
(Date)

ATTEST:

Corporate Seal (If Applicable)

EXHIBIT 1
CONDUIT OCCUPANCY REQUEST
(FOR FUTURE USE)

EXHIBIT 2
SPECIFICATION DOCUMENTS
(FOR FUTURE USE)

EXHIBIT 3
OCCUPANCY FEES
(FOR FUTURE USE)

APPENDIX J
COMPENSATION FOR EXCHANGE OF TRAFFIC USING UNBUNDLED ELEMENTS

1. This Appendix describes the compensation terms that apply for exchanging local, intraLATA, toll and interexchange traffic when Covad uses GTE-provided unbundled ports, local switching and shared transport to provide service to Covad's end users. Reciprocal compensation does not apply in a resale environment.
2. Compensation for Covad's Purchase of GTE's unbundled local switching. The term "local switching charge", as used in this Appendix J, refers to the price for unbundled local switching which is identified as "Local Central Office Switching" in Appendix D of this Agreement.
 - 2.1 For local intra-switch calls between lines connected to GTE's switch where Covad has purchased GTE's unbundled local switching, the Parties agree to impose no call termination charges on each other. GTE's local switching charge will apply as described below where the call is:
 - 2.1.1 Originated by Covad's customer using GTE's unbundled local switching and completed to a GTE customer:
 - a. (For use of the local switch): local switching charge the originating office will apply to Covad.
 - 2.1.2 Originated by Covad's customer using GTE's unbundled local switching and completed to the customer of a third party LEC (not affiliated with Covad) using GTE'S unbundled local switching.
 - a. (For use of the local switch): local switching charge at the originating office will apply to Covad.
 - 2.1.3 Originated by Covad's customer using GTE's unbundled local switching and completed to another Covad's customer using GTE's unbundled local switching.
 - a. (For use of the local switch): local switching charge at the originating office will apply to Covad.
 - 2.1.4 Originated by a GTE customer and terminated to Covad's customer using GTE's unbundled local switching.
 - a. No local switching charge will apply to Covad.
 - 2.1.5 Originated by the customer of a third-party LEC (not affiliated with Covad) using GTE's unbundled local switching and terminated to Covad's customers using GTE's unbundled local switching.
 - a. No local switching charge will apply to Covad.

- 2.2 For local inter-switch calls where *CLEC has purchased GTE's unbundled local switching. GTE's charges will apply to CLEC as described below where the call is:
- 2.2.1 Originated from Covad's end user customer using GTE's unbundled local switching and completed to a GTE customer:
- a. (For use of the local switch): local switching charge at the originating office.
 - b. A mileage-based transport charge will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.
 - d. (For call termination): Charges for local interconnection/call termination, when applicable
- 2.2.2 Originated from Covad's customer using GTE's unbundled local switching and completed to a third-party LEC (not affiliated with Covad) customer using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the originating office.
 - b. A mileage-based transport charge will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.
- 2.2.3 Originated from Covad's customer using GTE's unbundled local switching and completed to the interconnected network of a third-party LEC (not affiliated with Covad).
- a. (For use of the local switch): local switching charge at the originating office.
 - b. A mileage-based transport charge will apply when Covad uses GTE's transport, and mileage shall be measured between the originating office and the IP of the Third Party's network.
 - c. Tandem Switching, if applicable.
- 2.2.4 Originated from Covad's customer using GTE's unbundled local switching and completed to Covad's customer using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the originating office.
 - b. A mileage-based transport charge will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.

- d. (For use of the local switch): Local switching charge at the terminating office.
- 2.2.5 Originated by a GTE customer and terminated to Covad's customer using GTE's unbundled local switching.
- a. (For use at local switch): local switching charge at the terminating office.
 - b. (For call termination): Covad shall charge GTE for local interconnection/call termination, when applicable.
- 2.2.6 Originated by a customer of a third-party LEC using GTE's unbundled local switching and terminated to Covad's customer using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the terminating office.
- 2.2.7 Originated by a customer of the interconnected network of a third-party LEC and terminated to Covad's customers using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the terminating office.
- 2.3 For intraLATA toll calls where Covad has purchased GTE's unbundled local switching, charges shall apply as follows:
- 2.3.1 Originated by Covad's customer and completed to a GTE customer:
- a. (For use of the local switch): local switching charge at the originating office.
 - b. Shared transport charge between the two offices will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.
 - d. (For call termination): End Office Switching charge at the terminating office (Switched Access Rate).
- 2.3.2 Originated by Covad's customer and completed to the customer of a third-party LEC using GTE's unbundled local switching in a distant end office.
- a. (For use of the local switch): local switching charge at the originating office.
 - b. Shared transport charge between the two offices will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.
- 2.3.3 Originated by Covad's customer and completed to the network of a third-party LEC interconnected with GTE's network.

- a. (For use of the local switch): local switching charge at the originating office.
 - b. Common transport charge will apply when Covad uses GTE's transport, and mileage shall be measured between the originating office and the IP of the Third Party's network.
 - c. Tandem Switching, where applicable.
- 2.3.4 Originated by Covad's customer and completed by another of Covad's customers being served through GTE's unbundled local switching in a distant office.
- a. (For use of the local switch): local switching charge at the originating office.
 - b. Shared transport charge between the two offices will apply when Covad uses GTE's transport.
 - c. Tandem Switching, if applicable.
 - d. (For use of the local switch): local switching charge at the terminating office.
- 2.3.5 Originated by a GTE customer and terminated to Covad's customer using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the terminating office.
 - b. (For call termination): Covad will charge GTE local switching at the terminating office.
- 2.3.6 Originated by a customer of a third-party LEC (not affiliated with Covad) using GTE's unbundled local switching in a distant end office and terminated to Covad's customers using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the terminating office.
- 2.3.7 Originated by a customer of the network of a third-party LEC interconnected with GTE's network and terminated to Covad's customers using GTE's unbundled local switching.
- a. (For use of the local switch): local switching charge at the terminating office.
- 2.4 For intrastate Switched Access calls where Covad is using GTE's unbundled local switching for calls originated from or terminated to an IXC for completion:
- 2.4.1 For calls originated from Covad's customer to an IXC switch for completion.
- a. (For use of the local switch): local switching charge at the office.

- b. Shared Transport;
- c. Tandem Switching

2.4.2 For calls terminating to Covad's end user customer from an IXC switch for completion.

- a. (For use of the local switch): local switching charge at the terminating office.
- b. Shared Transport;
- c. Tandem Switching

2.5 For interstate Switched Access calls where Covad is using GTE's unbundled local switching for calls originated from or terminated to an IXC for completion:

2.5.1 For calls originated from Covad's customer to an IXC switch for completion.

- a. (For use of the local switch): local switching charge at the originating office.
- b. Shared Transport;
- c. Tandem Switching

2.5.2 For calls terminating to Covad's customer from an IXC switch for completion:

- a. (For use of the local switch): local switching charge at the terminating office.
- b. Shared Transport;
- c. Tandem Switching

3. Unbundled local switching will be billed on a per minute of use basis and applied to all originating and interswitch terminating traffic, including, but not limited to local, toll, operator services, directory assistance, 911/E-911, 500, 700, 800/888, 900, 950, 976, busy calls, no answer, incomplete. Where non-conversation time cannot be measured, the parties will mutually agree on the appropriate measure and charge. Where measurement of terminating local switching minutes is not available, the number of minutes billed for terminating usage will be equal to the number of originating minutes. The Parties will mutually agree on a method and procedure to periodically sample and validate or adjust the ratio of originating to terminating minutes for billing purposes.

APPENDIX 46A
AT&T TERMS - Florida

Pursuant to Section 46 of Article III of this Agreement and subject to all of the terms and conditions thereof, the following AT&T Terms referred to in Section 46 will be substituted for the specified terms of this Agreement which are set out below as and when Section 46 calls for them to be substituted.

1. Transport and termination of local traffic. The following rates in Annex 1 to Appendix 4 to Attachment 14 of the AT&T Agreement will apply instead of the rates in Appendix A of this Agreement:

Local Interconnection (end office switching)	\$ 0.0025
Tandem Switching	\$ 0.00125

2. Unbundled local loops. The following rates in Annex 1 to Appendix 2 to Attachment 14 of the AT&T Agreement will apply instead of the rates in Appendix D of this Agreement:

2 Wire Analog Loop (inclusive of NID)	\$ 20.00
2 Wire Digital Loop (inclusive of NID)	\$ 20.00
4 Wire Analog Loop (inclusive of NID)	\$ 25.00
4 Wire Digital Loop (inclusive of NID)	\$ 25.00

3. Unbundled port and local switching. The following rates in Annex 1 to Appendix 2 to Attachment 14 of the AT&T Agreement will apply instead of the rates in Appendix D of this Agreement:

Basic Analog Line Side Port	\$ 4.75
DS-1 Digital Trunk Side Port	\$ 72.25
Local Central Office Switching, originating	\$ 0.004
Local Central Office Switching, terminating	\$ 0.00375
Shared Transport Termination MOU/Term	\$ 0.0001
Shared Transport Facility MOU/mile	\$ 0.0000017
Shared Transport Tandem Switching	\$ 0.0009512

4. Unbundled dedicated transport. The following rates in Annex 1 to Appendix 2 to Attachment 14 of the AT&T Agreement will apply instead of the rates in Appendix D of this Agreement:

CLEC Dedicated Transport

2 Wire Voice	\$ 29.00
4 Wire Voice	\$ 35.00
DS1 per System	\$ 135.00

Interoffice Dedicated Transport

DS0 Transport Facility per ALM	\$ 2.60
DS0 Transport Termination	Not applicable
DS1 Transport Facility per ALM	\$ 0.50
DS1 Transport Termination	\$ 30.00
DS3 Transport Facility per ALM	\$ 13.00
DS3 Transport Termination	\$ 285.00

Multiplexing

DS1 to Voice Multiplexing	\$ 205.00
DS3 to DS1 Multiplexing	\$ 305.00

5. Non-recurring charges for unbundled services. The following rates in Annex 1 to Appendix 2 to Attachment 14 of the AT&T Agreement will apply instead of the rates in Appendix D of this Agreement:

Service Ordering

Initial Service Order, per order	\$ 47.25
Subsequent Service Order, per order	\$ 24.00
Customer Service Record Search, per request	\$ 5.25

Installation

Unbundled Loop, per loop	\$ 10.50
Unbundled Port, per port	\$ 10.50
Loop Facility Charge, per order	\$ 62.50

APPENDIX 46B
GTE TERMS

Pursuant to Section 46 of Article III of this Agreement, the following terms shall be applied in the event the AT&T Terms are deemed to be unlawful, or are stayed or enjoined by a court or commission of competent jurisdiction.

<u>Issue Description</u>	<u>GTE Agreement Reference</u>
1. The rates for transport and termination of traffic.	The rates in Appendix A of this Agreement will apply.
2. The rates for unbundled local loops.	The rates in Appendix D of this Agreement will apply.
3. The rates for unbundled ports and local switching.	The rates in Appendix D of this Agreement will apply.
4. The rates for unbundled dedicated Transport.	The rates in Appendix D of this Agreement will apply.
5. The non-recurring charges for unbundled services.	The rates in Appendix D of this Agreement will apply.