

Kimberly Caswell
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November 17, 2000

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

001718-TP

Re: Docket No.
Petition for Approval of Section 252(i) Adoption of the Collocation and DS3
Terms of the Interconnection Agreement Between SBC Telecom, Inc. and
Verizon Northwest 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 Collocation and DS3 Terms of
the Interconnection Agreement Between SBC Telecom, Inc. and Verizon Northwest
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.

Sincerely,

bcw

Kimberly Caswell

KC:tas
Enclosures

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

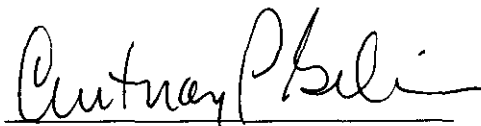
In re: Petition for Approval of Section 252(i)) Docket No.
Adoption of the Collocation and DS3 Terms) Filed: November 17, 2000
of the Interconnection Agreement Between)
SBC Telecom, Inc. and Verizon Northwest Inc.)
_____)

**PETITION OF VERIZON FLORIDA INC. FOR APPROVAL OF
SECTION 252(i) ADOPTION OF THE COLLOCATION AND DS3 TERMS OF THE
INTERCONNECTION AGREEMENT BETWEEN
SBC TELECOM, INC. AND VERIZON NORTHWEST INC.**

Verizon Florida Inc. (Verizon) (formerly, GTE Florida Incorporated) files this petition before the Florida Public Service Commission (Commission) seeking approval of SBC Telecom, Inc.'s (SBCT) Section 252(i) adoption of the collocation and DS3 terms of SBCT's *interconnection agreement with Verizon Northwest Inc. (formerly, GTE Northwest Incorporated)*. Pursuant to paragraph 32 of the Bell Atlantic/GTE Merger Conditions, released by the FCC on June 16, 2000 in CC Docket No. 98-184, SBCT wishes to provide service to customers in Verizon's service territory in Florida by adopting said collocation and DS3 terms.

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

Respectfully submitted on November 17, 2000.

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

Attorney for Verizon Florida Inc.

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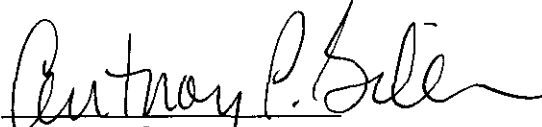
FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing petition was sent via overnight delivery on November 16, 2000 to:

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

SBC Telecom, Inc.
Attention: Philip Bowie
Three Bell Plaza
308 S. Akard, Suite 1520
Dallas, TX 75202


Kimberly Caswell

VIA UNITED PARCEL SERVICE

November 7, 2000

Steven J. Pitterle
Director – Negotiations
Verizon Network Services
600 Hidden Ridge HQE03B28
Irving, Texas 75038

Dear Mr. Pitterle:

This letter is written in response to your letter to me, dated October 23, 2000 but received on November 6, 2000, regarding SBC Telecom, Inc.'s ("SBCT") election to adopt terms for Collocation and DS3 Loops ("Verizon-Washington Terms") that were agreed to between SBCT and Verizon Northwest Inc., f/k/a GTE Northwest Incorporated ("Verizon"), in the state of Washington. As you requested in your letter, SBCT agrees to the following three points. Please make a note of the changes in Item B below.

- (A) SBCT-Florida adopts in the service territory of Verizon-Florida the Verizon-Washington Terms of the SBCT-Washington/Verizon-Washington supplements, and in applying the Verizon-Washington Terms, SBCT-Florida shall be substituted in place of SBCT-Washington in the Verizon-Washington Terms wherever appropriate.
- (B) SBCT-Florida requests that notice to SBCT-Florida as may be required or permitted under the Verizon-Washington Terms shall be provided as follows:

To : Executive Director-Interconnection
SBC Telecom, Inc.
308 S. Akard, Suite 1502
Dallas, TX 75202
FAX number: (214) 858-3082

Copy : David Huntley
General Counsel
SBC Telecom, Inc.
5800 Northwest Parkway, Suite 1251C40
San Antonio, TX 78249
Telephone number: (210) 641-3555
FAX number: (210) 641-3557

- (C) SBCT-Florida represents and warrants that it is a certified provider of local telecommunications service in the State of Florida, and that its adoption of the Verizon-Washington Terms will only cover services in the service territory of Verizon-Florida in the State of Florida.

Other than its agreement to these three points, SBCT makes no commitment or other response to any statement of position or proposal expressed by Verizon in the October 23, 2000 letter, nor regarding any other matter addressed therein. The October 23, 2000 letter from Verizon is enclosed and has not been countersigned by SBCT. It is SBCT's election to adopt the Verizon-Washington Terms as approved by the Washington Utilities and Transportation Commission ("Washington Commission") and as construed in accordance with applicable federal and state law and regulatory requirements. SBCT hereby reiterates its request that, with the exception of the name and notification changes expressly agreed to in points A and B above, the adoption of the Terms be executed and filed as previously approved by the Washington Commission. Since SBCT's request to adopt these terms was provided to Verizon over two months ago, SBCT requests that Verizon file the Verizon-Washington Terms with the Florida Public Service Commission promptly by November 13, 2000. As we have done in the past, please provide for SBCT's review and records a copy of the filing including all filing documents prior to and after the filing has been made. If Verizon cannot fulfill SBCT's request to file the adopted Verizon-Washington Terms by November 13, 2000, please notify me as soon as possible so that SBCT can make alternative arrangements to file them.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Bowie". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Philip Bowie

Enclosures

Steven J. Pitterle
Director - Negotiations
Network Services



Network Services
600 Hidden Ridge HQE03867
P.O. Box 152092
Irving, Texas 75038
Phone 972-718-1333
Fax 972-718-1279
steve.pitterle@verizon.com

October 23, 2000

Mr. Philip Bowie
Area Manager – Interconnection Management
308 S. Akard
Three Bell Plaza, Suite 1520
Dallas, Tx 75202

Re: Requested Adoption Under the FCC Merger Conditions

Dear Mr. Bowie:

Verizon Florida Inc., f/k/a GTE Florida Incorporated (“Verizon-Florida”), has received your letter stating that, pursuant to paragraph 32 of the BA/GTE Merger Conditions (“Merger Conditions”), released by the FCC on June 16, 2000 in CC Docket No. 98-184, SBC Telecom, Inc. (“SBCT-Florida”) wishes to provide services to customers in Verizon-Florida’s service territory in the State of Florida by adopting the voluntarily negotiated Collocation and DS3 terms of the Interconnection Agreement between SBC Telecom, Inc. (“SBCT-Washington”) and Verizon Northwest Inc., f/k/a GTE Northwest Incorporated (“Verizon-Washington”) that were approved by the Washington Commission as effective supplements to the interconnection agreement in the State of Washington (the “Verizon-Washington Terms”).¹

I understand that SBCT has a copy of the Verizon-Washington Terms which, in any case, are attached hereto as Appendix 1. Except with respect to Washington state-specific pricing provisions, performance measures provisions, provisions that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252, provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and any provisions not required by Section 251(c) of the Telecommunications Act of 1996 (the “Act”) (including but not limited to any reciprocal compensation provisions, which are also excluded as state-specific pricing provisions and, in any case, are not available for adoption under the Merger Conditions) contained in the SBCT-Washington/ Verizon-Washington agreement, Verizon-Florida does not

¹ These “agreements” are not agreements in the generally accepted understanding of that term. Verizon Washington was required to accept these agreements, which were required to reflect then-effective FCC rules and other applicable law.

oppose SBCT-Florida's adoption of the Verizon-Washington Terms at this time. However, please note the following with respect to SBCT-Florida's adoption of the Verizon-Washington Terms.

1. By SBCT-Florida's countersignature on this letter, SBCT-Florida hereby represents and agrees to the following three points:

(A) SBCT-Florida adopts in the service territory of Verizon-Florida the Verizon-Washington Terms of the SBCT- Washington / Verizon-Washington supplements, and in applying the Verizon-Washington Terms, agrees that SBCT-Florida shall be substituted in place of SBCT-Washington in the Verizon-Washington Terms wherever appropriate.

(B) SBCT-Florida requests that notice to SBCT-Florida as may be required or permitted under the Verizon-Washington Terms shall be provided as follows:

To : SBCT-Florida
Attn: Debrah Baker-Oliver
SBC Telecom, Inc.
Executive Director – Interconnection
308 S. Akard Suite1502
Dallas, Texas 75202
Fax: 214-858-3082
Phone: 214-858-3004

Copy to:
Thomas Hartmann
SBC Telecom, Inc.
General Counsel
5800 Northwest Parkway, Suite 125 IC40
San Antonio, Texas 78249
Phone: 210-641-3555
Fax: 210-641-3547

(C) SBCT-Florida represents and warrants that it is a certified provider of local telecommunications service in the State of Florida, and that its adoption of the Verizon-Washington Terms will only cover services in the service territory of Verizon-Florida in the State of Florida.

2. SBCT-Florida's adoption of the Verizon-Washington Terms shall become effective upon the date that Verizon-Florida files this letter with the Florida Public Service Commission (which Verizon-Florida will promptly do upon my receipt of a copy of this letter, countersigned by SBCT as to points (A), (B) and (C) of paragraph 1 above) and remain in effect no longer than the date the above-referenced supplements to the

SBCT- Washington / Verizon-Washington agreement terminate or expire. The SBCT- Washington / Verizon-Washington supplements to the agreement are currently scheduled to expire on March 24, 2001. Thus, the Verizon-Washington Terms adopted by SBCT also shall terminate or expire on that date.

3. As the Verizon-Washington Terms are being adopted by SBCT-Florida pursuant to the Merger Conditions, Verizon-Florida does not provide the Verizon-Washington Terms to SBCT-Florida as either a voluntary or negotiated agreement. The filing and performance by Verizon-Florida of the Verizon-Washington Terms does not in any way constitute a waiver by Verizon-Florida of any position as to the Verizon-Washington Terms or a portion thereof. Nor does it constitute a waiver by Verizon-Florida of any rights and remedies it may have to seek review of the Verizon-Washington Terms, or to seek review of any provisions included in these Verizon-Washington Terms as a result of SBCT-Florida's election pursuant to the Merger Conditions.

4. SBCT-Florida's adoption of the Verizon-Washington Terms pursuant to the Merger Conditions is subject to all of the provisions of such Merger Conditions. For example, state-specific pricing, state-specific performance measures, provisions that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252, provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and provisions from the SBCT- Washington/ Verizon-Washington agreement that are not required pursuant to Section 251(c) of the Act shall not apply to SBCT-Florida's adoption of the Verizon-Washington Terms in the State of Florida. In that regard, Verizon-Florida's standard pricing for Collocation and DS3 (as such schedule may be amended from time to time) (attached as Appendix 2 hereto) shall apply to SBCT-Florida's adoption of the Verizon-Washington Terms. SBCT-Florida should note that the aforementioned pricing may contain rates for certain services the terms for which are not subject to adoption under the Merger Conditions (e.g., number portability and reciprocal compensation). In an effort to expedite the adoption process, Verizon has not taken the time to delete such rates from the pricing schedule. However, the inclusion of such rates in no way obligates Verizon to provide the subject services and in no way waives Verizon's rights under the Merger Conditions. Verizon will, nonetheless, if requested by SBCT, work cooperatively with SBCT to the extent necessary to identify any other provisions of the SBCT-Washington/Verizon-Washington agreement, including provisions that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. Section 252, provisions that incorporate the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. Section 252(a)(1), and provisions that are not required pursuant to Section 251(c) of the Act, that are not subject to the MFN obligations of the Merger Conditions so that SBCT-Florida, should it desire similar terms in Florida, may evaluate its options for obtaining such similar terms under applicable law.

As noted directly above, under the terms of paragraph 32 of the Merger Conditions, the MFN requirements in the Merger Conditions are exclusive of price terms, and prices applicable to interconnection arrangements are to be established on a state-specific basis.

In addition, paragraph 32 of the Merger Conditions provides that Verizon is not obligated to permit a carrier to adopt any interconnection arrangement unless the arrangement "is consistent with the laws and regulatory requirements of the state for which the request is made[.]" Thus, by SBCT's adoption of the SBCT-Washington/ Verizon-Washington agreement for Florida, SBCT-Florida must accept the pricing terms applicable to CLECs in the State of Florida, and it will not be entitled to terms and arrangements inconsistent with Florida law and policy.

In addition, the Merger Conditions' MFN obligation on which SBCT-Florida relies extends only to interconnection arrangements, UNEs, or provisions of an interconnection agreement that are "subject to 47 U.S.C. § 251(c)" As you know, the obligation of local exchange carriers to pay one another reciprocal compensation for local traffic is found not in Section 251(c), but in Section 251(b), of the Act. On its face, therefore, the Merger Conditions' provision on which SBCT-Florida relies does not extend to the reciprocal compensation provisions of Verizon-Washington's interconnection agreements or to any other provisions therein not required by Section 251(c).

Even if this provision of the Merger Conditions were to be misconstrued as encompassing not only items subject to Section 251(c), but also items subject to Section 251(b), it would still not obligate Verizon-Florida to permit the cross-state adoption of compensation terms pertaining to Internet traffic. The FCC's February 1999 order expressly found that Internet traffic is not local. Accordingly, even if the SBCT-Washington/ Verizon-Washington agreement were mistakenly construed as containing a voluntary commitment to pay compensation on Internet traffic, that commitment would be entirely outside the scope of the requirements of Section 251, and therefore not subject to the cross-state MFN provisions of the Merger Conditions.

In addition, SBCT-Florida's adoption of the Verizon-Washington Terms shall not obligate Verizon-Florida to provide any interconnection arrangement or unbundled network element unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, Florida and with applicable collective bargaining agreements.

5. 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*. 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*, 119 S. Ct. 721 (1999). Certain provisions of the Verizon-Washington Terms may be void or unenforceable as a result of the Supreme Court's decision of January 25, 1999, the United States Eighth Circuit Court of Appeals' recent decision in Docket No. 96-3321 regarding the FCC's pricing rules, and any related appeals applicable to the FCC's new UNE rules or UNE pricing rules. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by Verizon-Florida that any provision in the Verizon-Washington Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon-Florida expressly reserves its full right

to assert and pursue claims arising from or related to the Verizon-Washington Terms.

6. Verizon-Florida reserves the right to deny SBCT-Florida's adoption and/or application of the Verizon-Washington Terms, in whole or in part, at any time:
- (A) when the costs of providing the Verizon-Washington Terms to SBCT-Florida are greater than the costs of providing them to SBCT-Washington;
 - (B) if the provision of the Verizon-Washington Terms to SBCT-Florida is not technically feasible;
 - (C) if Verizon-Florida otherwise is not obligated to permit such adoption and/or application under the Merger Conditions or under applicable law.

7. As noted above in paragraph 6, pursuant to Rule 809 of the FCC Regulations, the FCC gave ILECs the ability to deny 252(i) adoptions (and adoptions pursuant to the Merger Conditions, since the 252(i) rules also apply thereto) in those instances in which the cost of providing the service to the requesting carrier is higher than that incurred in serving the initial carrier or in which there is a technical incompatibility issue. The issue of reciprocal compensation for traffic destined for the Internet falls within this exception. Verizon-Florida never intended for Internet traffic to be included within the definition of local traffic and subject to the corresponding obligation of reciprocal compensation. Whatever doubt any party may have had with respect to this issue was removed by the Declaratory Ruling that the Federal Communications Commission (the "FCC") released on February 26, 1999 which, among other things, "conclude[d] . . . that ISP-bound traffic is non-local interstate traffic."² The FCC also reaffirmed that "section 251(b)(5) of the Act and [the FCC] rules promulgated pursuant to that provision concern inter-carrier compensation for interconnected *local* telecommunications traffic."³ Based on the FCC's Declaratory Ruling (among other things), it is clear that Internet traffic is not local traffic. Despite the foregoing, some forums have required reciprocal compensation to be paid. This produces the situation in which the cost of providing the service is not cost based. With this in mind (as well as the other bases noted in this letter), Verizon-Florida opposes, and reserves the right to deny, the adoption and/or the application of the provisions of the Verizon-Washington Terms that might be interpreted to characterize traffic destined for the Internet as local traffic or requiring the payment of reciprocal compensation. However, Verizon-Florida shall, in any case, comply with the requirements of applicable law with respect to this issue.

8. Should SBCT-Florida attempt to apply the Verizon-Washington Terms in a manner that conflicts with paragraphs 3-7 above, Verizon-Florida reserves its rights to seek appropriate legal and/or equitable relief.


² Declaratory Ruling in FCC CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68 (rel. February 26, 1999), fn. 87. The D.C. Circuit Court has recently asked the FCC to explain more fully its reasoning in arriving at this conclusion in the Declaratory Ruling, but it has not rejected the conclusion. The FCC, moreover, has publicly since reiterated the correctness of its conclusion.

³ *Id.* (emphasis in original).

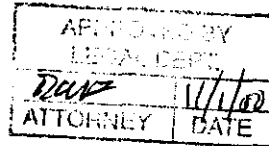
Please arrange for a duly authorized representative of SBCT-Florida to sign this letter in the space provided below and return it to the undersigned.

Sincerely,

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



Steven J. Pitterle
Director-Negotiations
Network Services



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

SBC Telecom, Inc.

By _____
Title _____

Attachments

Cc (w/out attachments): Doug Inscho
 Gavin Hill

APPENDIX 1 – COLLOCATION

1. The Attachment hereto, along with the Adopted Terms not inconsistent therewith, shall govern the provision of collocation services. The Attachment shall supercede the following provisions of the Adopted Terms as they appear in the Underlying Agreement:
 - a. Part III of the Underlying Agreement (as it relates to collocation as an ancillary function);
 - b. Attachment 3, Sections 2 through 2.3.11;
 - c. Attachment 9, Sections 1 through 1.2;
 - d. Attachment 14, Section 3;
 - e. Appendix 3 to Attachment 14;
 - f. Attachment 11 (to the extent that any definition therein refers back to or otherwise relies upon any portion of the Adopted Terms that is superceded by this Agreement).

Furthermore, even if not included in the foregoing list, to the extent that the Adopted Terms are inconsistent with any of the terms and conditions contained in this Agreement (including Attachment 1), the Parties agree that this Agreement shall control and that such inconsistent provision shall be deemed to have been superceded.

2. The Parties acknowledge and agree that this Agreement shall terminate or expire simultaneously and in accordance with termination or expiration of the Adopted Terms.
3. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter hereof and supercedes all prior 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.

COLLOCATION ATTACHMENT

1. General.

This Collocation Supplement together with the terms and conditions of the adopted Agreement not inconsistent herewith, set forth the terms and conditions under which GTE shall provide collocation services to SBCT. Collocation provides, where technically feasible and where space is available, for access to GTE's "premises" for the purpose of interconnection for the exchange of traffic with GTE and/or access to unbundled network elements (UNEs). GTE's premises include GTE's wire centers, access tandems, and other buildings or similar structures owned or leased by GTE that house GTE's network facilities, and all structures that house incumbent LEC facilities on public rights-of-way, including but not limited to vaults containing loop concentrators or similar structures. Collocation at GTE's wire centers and access tandems may be accomplished through caged or cageless service offerings, as described below, except if not practical for technical reasons or due to space limitations. In such event, GTE shall provide adjacent collocation or other methods of collocation, including virtual, subject to space availability and technical feasibility. As required by Applicable Law, GTE shall also offer rates, terms, and conditions for collocation services upon GTE Premises that are not expressly addressed in this Supplement or other GTE tariffs on a Bona Fide Request ("BFR") basis, and in doing so, shall comply with all applicable federal or state requirements.

By agreeing to the terms of this Attachment or the collocation of any equipment hereunder: (1) Neither party waives, and each party expressly reserves, its rights to continue to challenge the legality of the FCC Collocation Order (Docket No. 98-147) and to take further action regarding this matter as future circumstances warrant; and (2) Neither party intends to, and therefore does not establish any precedent, waiver, course of dealing or in any way evidence its position or intent with regard to future collocation requests.; and (3) Each party specifically reserves the right to incorporate herein the decision 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).

2. GTE Physical Collocation offering to SBCT shall include the following:

2.1 Single Caged.

A single caged arrangement is a form of caged collocation, which allows a single CLEC to lease caged floor space to house its equipment within GTE Premises. For caged collocation, at SBCT's option, GTE will construct the cage with a standard enclosure or SBCT may subcontract this work to a GTE approved contractor.

2.2 Shared Caged.

A shared caged arrangement is a newly constructed caged collocation arrangement that is jointly applied for and occupied by two or more CLECs within a GTE Premise. When two or more CLECs request establishment and jointly apply for a new caged collocation arrangement to be used as a shared caged arrangement, one of the participating CLECs must agree to be the host CLEC (HC) and the other(s) to be the guest CLEC (GC). The HC and GC(s) are solely responsible for determining whether to share a shared caged collocation arrangement and if so, upon what terms and conditions. GTE will not issue separate billing for any of the rate elements associated with the shared caged

collocation arrangement between the HC and the GC(s) but GTE will provide the HC with information on the proportionate share of the NRCs for each CLEC in the shared arrangement. The Host shall be responsible for ordering and payment of all augments or additions to its shared caged collocation site(s). The HC and GC(s) are GTE's customers and have all the rights and obligations applicable hereunder to CLECs purchasing collocation-related services, as specified in this Attachment, including, without limitation, the obligation to pay all applicable charges, whether or not the HC is reimbursed for all or any portion of such charges by the guest(s). In making Shared Cage Collocation arrangements available, GTE shall not increase the cost of site preparation or nonrecurring charges above the cost for provisioning such a cage of similar dimensions and material to a single collocating Telecommunication Carrier. At SBCT's election, the collocated equipment may be placed in an SBCT provided cabinet or secured in some other manner. GTE will permit each collocated Telecommunication Carrier to order UNEs to and provision service from Shared Cage Collocation space regardless of the sequence in which the Telecommunication Carrier occupied the space. All terms and conditions for caged collocation as described in this Supplement will apply to shared caged collocation requirements. Additional information can be found in GTE's CSP as described in Section 11.1 of this Attachment.

2.3 Subleased Caged.

Vacant space available in a CLEC's caged collocation arrangement may be made available to one or more third party(s) for the purpose of interconnection and/or for access to UNEs in GTE's Premises via the subleasing collocation arrangement. The host CLEC (HC) would sublease the floor space to the third party(s) pursuant to terms and conditions agreed to by the (HC) and the third party(s) involved. The HC and third party must each be interconnected to GTE for the exchange of traffic with GTE and/or to access unbundled network elements. The HC is solely responsible for determining whether to sublease a shared caged collocation arrangement and if so, upon what terms and conditions. GTE will not issue separate billing for any of the rate elements associated with the subleased caged collocation arrangement between the HC and the third party(s).). The HC shall be responsible for ordering and payment of all augments or additions to its subleased collocation site(s). The HC and third party(s) are GTE's customers and have all the rights and obligations applicable hereunder to CLECs purchasing collocation-related services, including, without limitation, the obligation to pay all applicable charges, whether or not the HC is reimbursed for all or any portion of such charges by the third party(s). GTE will not issue separate billing for any of the rate elements associated with the subleased caged collocation arrangement between the HC and the third party(s). Upon written request by SBCT, GTE will not unreasonably withhold permission for SBCT to sublease a portion of its Collocation space in the Premises to any other Telecommunication Carrier(s) for the purposes described in this Attachment. GTE will permit both SBCT and the subleasing Telecommunication Carrier(s) to order UNEs to, and provision services from, the SBCT Collocation space in a sublease arrangement. In addition, upon written request by any other Telecommunication Carrier(s), that has negotiated terms for subleased caged collocation with GTE, GTE will permit SBCT to sublease a portion of the other Telecommunication Carrier(s)'s Collocation space designated by GTE in its Premises pursuant to the terms and conditions of the Telecommunications Carrier's interconnection agreement as host with GTE. All terms and conditions for caged collocation as described in this Attachment will apply to subleased caged collocation requirements. Additional

information can be found in GTE's CSP as described in Section 11.1 of this Attachment.

2.4 Cageless.

Cageless collocation is a form of collocation in which SBCT can place its equipment in any unused space in GTE's Premises, without requiring the construction of a cage or similar structure, and without requiring the creation or construction of a separate entrance to SBCT's Collocation space. Once inside the building, GTE shall permit SBCT direct access to its equipment. GTE may not require SBCT to collocate in a room or isolated space separate from the GTE's own equipment. A cageless collocation arrangement allows SBCT, using GTE approved vendors, to install equipment in single bay increments in an area designated by GTE. This space will be in a separate lineup, if available. If a separate bay lineup is not available, the CLEC's bay will be segregated by at least one vacant bay from GTE's own equipment. If space is not available to maintain at least one vacant bay separation from GTE's own equipment, then collocation will be provided in accordance with Section 1 of this Attachment. The equipment location will be designated by GTE and will vary based on individual Premises configurations. CLEC's equipment will not share the same equipment bays with GTE equipment.

2.5 Adjacent.

An adjacent collocation arrangement permits SBCT to construct or procure an adjacent structure on GTE property for collocation for the purposes of interconnection and/or access to UNEs in accordance with the terms and conditions of this Agreement. Adjacent collocation is only an option when: (1) space is legitimately exhausted in GTE's Premises for caged and cageless collocation; and (2) it is technically feasible to construct a hut or similar structure on GTE property that adheres to local building code, zoning requirements, GTE building standards which will not be unreasonably applied and reasonable safety and maintenance requirements. Additional information can be found in GTE's CSP as described in Section 11.1 of this Attachment. GTE will make available, power and Physical Collocation support services to SBCT in the same non-discriminatory manner as it provides to itself for the GTE owned CEVs and other adjacent structures. GTE shall permit SBCT to place its own equipment, including, but not limited to, copper cables, coaxial cable, fiber cables, and Telecommunications equipment, in adjacent facilities.

2.6 Other.

SBCT shall have the right to order collocation services offered pursuant to GTE tariffs following the effective date of this Agreement, including, without limitation, the right to order virtual collocation services in accordance with, and subject to, the terms of GTE's existing federal collocation tariff (GTOC Tariff No. 1). The terms of this Supplement shall not apply to said tariff collocation services. However, new collocation services ordered outside of said tariffs on or after the effective date will be provided pursuant to the terms of this Attachment.

3. Space Availability and Intervals.

- 3.1 GTE will notify SBCT within fifteen (15) days following receipt of the completed application form and non-refundable engineering fee if space is available at the selected Premises. If space is not available, GTE will notify SBCT in writing within such fifteen (15) day period.

- 3.2 GTE shall permit SBCT to secure collocation space on a first-come, first-serve priority basis upon GTE's receipt of fifty percent (50%) of the applicable Non Recurring Charges (NRCs) described in Appendix A of this Attachment. If GTE is unable to accommodate caged and cageless collocation requests at due to space limitations or other technical reasons, GTE will post a list of all such sites on its Website and will update the list within ten (10) business days of any known changes. This information will be listed at the following public Internet URL:

<http://www.gte.com/Regulatory>

Where GTE is unable to accommodate caged and cageless collocation requests at a Premises due to space limitations or other technical reasons, GTE shall: (a) submit to the state commission, subject to any protective order as the state may deem necessary, detailed floor plans or diagrams of the Premises; and (b) allow SBCT to tour the entire premises in question, without charge, within (10) business days of the denial of space. If, after the tour, SBCT and GTE disagree on the availability of space, nothing in this Attachment or in the Agreement shall prevent SBCT from pursuing dispute resolution available through procedures of the Commission. Before initiating a dispute resolution at the Commission, however, SBCT shall provide GTE with written notice of the nature of the dispute and shall designate an individual with responsibility to resolve the dispute. GTE shall also designate an individual with responsibility to resolve the dispute. If the dispute is not resolved within seven (7) days of the date of SBCT's written notice initiating the dispute, SBCT may at any time thereafter invoke the Commission's dispute resolution procedures.

2.2.1 GTE will, upon request by SBCT, remove obsolete unused equipment from its premises to increase the amount of space available for collocation.

3.3 Available Space.

The minimum amount of floor space available to SBCT at the time of the initial application will be twenty-five (25) square feet of caged collocation space or one (1) single bay in the case of cageless collocation. When providing space for collocation, GTE will first use the amount of existing suitable space which is technically feasible to support the collocation arrangement requested. Existing suitable space is defined as available space in a wire center or access tandem which does not require the addition of AC/DC power, heat and air conditioning, battery and/or generator back-up power and other requirements necessary for provisioning collocation services. The parties agree that existing suitable space will be used prior to the use of unconditioned space, if any. GTE will not deny SBCT's collocation request if vacant, unconditioned space is the only space available for collocation. Additional space to provide for caged, cageless and/or adjacent collocation will be provided on a per request basis, where available. Additional space can be requested by SBCT by completing and submitting a new application form and the applicable non-refundable engineering fee set forth in Appendix A described in Section 12.1. GTE will not be required to lease additional space when available space has been exhausted.

3.4 Collocation Space Report.

Upon request by SBCT and provided that the parties have signed a collocation nondisclosure agreement, GTE will make available a collocation space report with the following information for the Premises requested:

(a) Amount of caged and cageless collocation space available;

- (b) Number of telecommunications carriers with existing collocation arrangements;
- (c) Modifications of the use of space since the last collocation space report requested; and,
- (d) Measures being taken, if any, to make additional collocation spaces available.

The collocation space report is not required prior to the submission of a collocation application for a specific Premises in order to determine collocation space availability for the . The collocation space report will be provided to SBCT within ten (10) business days of receipt of SBCT's request, provided the request is submitted using GTE's established business process for requesting the collocation space report. A collocation space report fee contained in Appendix A will be assessed per request and per Premises.

3.5 Space Preparation.

3.5.1. Cage Construction. For caged collocation, GTE will construct the cage with a standard enclosure or SBCT may subcontract this work to a GTE approved contractor.

3.5.2. Site Selection/Power. GTE shall designate the space within its Premise where SBCT shall collocate its equipment. Where applicable, GTE shall provide, at the rates set forth in Appendix A described in Section 12.1, 48V DC power with generator and/or battery back-up, AC convenience outlet, heat, air conditioning and other environmental support to SBCT's equipment in the same standards and parameters required for GTE equipment within that GTE Premise. GTE will be responsible for the installation of the AC convenience outlets, overhead lighting and equipment superstructure per the established rates.

3.6 Timing. GTE shall use its best efforts to minimize the time required to condition collocation space, and will inform SBCT of the estimated completion date at the preconstruction meeting with SBCT held within 10 business days of receipt of the ASR and fifty percent (50%) of NRC. GTE shall complete delivery of the floor space to SBCT within ninety (90) days of receipt of the ASR and fifty percent (50%) of the NRCs assuming that the material shipment and construction intervals for the improvements required to accommodate the request (e.g., HVAC, system/power plant upgrade/cables) are met. Space delivery within such timeframe shall also be subject to the permitting process of the local municipality. Prior to SBCT beginning the installation of its equipment in a cage, bay or cabinet, SBCT and GTE must conduct a walk through of the designated collocation space. Exceptions that are noted and provided in writing by SBCT to GTE during this acceptance walk-through shall be corrected by GTE as soon as commercially reasonable. The correction of these exceptions from SBCT's Collocation request as specified in SBCT's collocation application shall be at GTE's expense. Upon acceptance of the arrangement by SBCT, billing will be initiated, access cards will be issued and SBCT may begin installation of its equipment.

4. Collocation Equipment.

4.1 Permissible Equipment. SBCT is permitted to place in its collocation space only equipment that is used or useful for interconnection or access to unbundled network elements. SBCT shall not place in its collocation space equipment that is

designed exclusively for switching or enhanced services. SBCT may place in its collocation space ancillary equipment such as cross connect frames, and metal storage cabinets. Metal storage cabinets must meet GTE safety requirements. Additionally, subject to the reservation of rights set forth in Section 1 of this Attachment, GTE shall adhere to the requirements set forth in subparts (b) and (c) of 47 C.F.R. Section 51.323 in processing all requests for collocation space and equipment.

- 4.2 Specifications. Neither GTE's or SBCT's facilities shall physically, electronically, or inductively interfere with or impair the service of the others or any other CLEC's facilities, create hazards or cause physical harm to any individual or the public. All CLEC equipment used for caged and cageless collocation must be tested to, and must meet: (1) The NEBS Level 1 family of requirements as described in Telcordia Special Report SR-3580 and (2) the specific GTE risk/safety/hazard criteria addressed in the CSP, (GTE's Collocation Service Packet). Any CLEC equipment that does not conform to NEBS Level 1 family of safety requirements will not be allowed to be installed on GTE property. A cabinet must be used to mitigate deficiencies identified with CLEC equipment failing to meet the specific risk/safety/hazard criteria specified in the CSP, (GTE's Collocation Service Packet). None of the above specifications and more stringent that those GTE applies to itself.

GTE reserves the right to remove and/or refuse use of CLEC facilities and equipment from its list of approved products if such products, facilities, and equipment are determined to be no longer compliant with NEBS Level 1 safety standards or Electromagnetic Compatibility and Electrical Safety Generic Criteria for Network Telecommunications Equipment (GR-1089-CORE). GTE also reserves the right to require removal and/or refuse use of SBCT facilities or equipment which does not meet or comply with: (a) fire and safety codes; (b) the same specific risk/safety/hazard standards which GTE imposes on its own Premises equipment; and (c) GTE practices for AC/DC bonding and grounding requirements. If GTE is unable to reach SBCT in a reasonable period of time, GTE may turn off/disconnect such SBCT facilities or equipment.

5. Collocation Arrangement Interconnections.

- 5.1 Collocator to Collocator Interconnect Arrangements. GTE shall provide, upon SBCT's request, a Collocator to Collocator Interconnect arrangement between SBCT's equipment in multiple sites within the Premises and/or the equipment of other collocated CLECs. When initiating a Collocator to Collocator Interconnect request, SBCT must submit an Application Form, ASR, and a Minor Augment fee. GTE will be responsible for engineering and installing the overhead superstructure for the Collocator to Collocator Interconnect arrangement, if required, and determining the appropriate cable route. SBCT has the option of providing all cables and connectors and to place its own or request GTE to place cables for the Collocator to Collocator Interconnect arrangement. However, if GTE provides the cables and connectors and/or pulls the cable, the applicable cable and labor rates will be applied.

6. Security/ Access.

- 6.1 Access to Collocation Space.

GTE will permit SBCT's employees, agents, and contractors approved by GTE to have direct access to SBCT's caged or cageless collocated equipment twenty-four (24) hours a day, seven (7) days a week. SBCT's employees, agents, or contractors must comply with the policies and practices of GTE pertaining to fire,

safety, and security. Such policies and practices as described in GTE's Security Procedures and Requirements Guidelines, which are attached to the CSP, shall not be more stringent than those imposed on GTE's own employees or authorized contractors. GTE reserves the right, with 24 hours prior notice to SBCT, to access SBCT's collocated partitioned space to perform periodic inspections to ensure compliance with GTE installation, safety and security practices. SBCT reserves the right to be present at such inspection. Where SBCT shares a common entrance to the Premises with GTE, the reasonable use of shared building facilities, e.g., elevators, unrestricted corridors, etc., will be permitted. However, access to such facilities may be restricted by security requirements for good cause shown (e.g., card reader isn't working, an elevator is out of service, building construction, etc.), and a GTE employee may accompany SBCT's personnel at no cost or delay to SBCT.

6.2 Security Requirements, Background Tests, Training.

All employees, agents and contractors of SBCT must meet certain minimum requirements. These requirements are available in GTE's CSP. At the time SBCT places the collocation ASR for caged or cageless collocation, or as soon as reasonably practicable thereafter, SBCT must submit to GTE's Security Department for prior approval the background investigation certification form included in the CSP for all employees, agents and contractors that will require access to GTE Premises. SBCT may update these certification forms as needed. SBCT agrees that its employees/vendors with access to GTE Premises shall at all times adhere to the rules of conduct established by GTE for the Premises and for GTE's personnel and vendors. GTE reserves the right to make changes to such procedures and rules to preserve the integrity and operation of GTE's network or facilities or to comply with applicable laws and regulations. GTE will provide SBCT with written notice of such changes. Where applicable, GTE will provide information to SBCT on the specific type of security training required so SBCT's employees can complete such training.

6.2.1. Security Standards. GTE will be solely responsible for determining the appropriate level of security in each Premises. GTE reserves the right to deny access to GTE buildings for any SBCT employee, agent or contractor who cannot meet GTE's established security standards. Employees, agents or contractors of SBCT are required to meet the same security requirements and adhere to the same work rules that GTE's employees and contractors are required to follow. GTE also reserves the right: (a) to deny access to GTE buildings for SBCT's employee, agent and contractor for falsification of records, violation of fire, safety or security practices and policies or other just cause and (b) to provide a GTE employee, agent or contractor to accompany and observe SBCT at no cost or delay to SBCT where security systems are temporarily out of service or pending placement. GTE may use reasonable security measures to protect its equipment, including enclosing its equipment in its own cage or other separation, utilizing monitored card reader systems, digital security cameras, badges with computerized tracking systems, identification swipe cards, keyed access and/or logs, as deemed appropriate by GTE.

6.2.2. Access Cards/Identification. Access cards or keys will be provided to no more than a reasonable number of individuals for SBCT for each GTE Premises. All SBCT employees, agents and contractors requesting access to the Premises are required to have a photo

identification card, which identifies the person by name and company. The ID must be worn on the individual's exterior clothing while on GTE premises. GTE will provide SBCT with instructions and necessary access cards or keys to obtain access to GTE buildings. SBCT is required to immediately notify GTE by the most expeditious means, when any SBCT's employee, agent or contractor with access privileges to GTE buildings is no longer in its employ, or when keys, access cards or other means of obtaining access to GTE buildings are lost, stolen or not returned by an employee, agent or contractor no longer in its employ. SBCT is responsible for the immediate retrieval and return to GTE of all keys, access cards or other means of obtaining access to GTE buildings upon termination of employment of SBCT's employee and/or termination of service. SBCT shall be responsible for the reasonable replacement cost of keys, access cards or other means of obtaining access, issued to SBCT, when lost, stolen or failure of SBCT or SBCT's employee, agent or contractor to return to GTE.

7. Insurance.

7.1 Coverage Limits. SBCT shall, at its sole cost and expense, obtain, maintain, pay for and keep in force the following minimum insurance, underwritten by an insurance company(s) having a Best's insurance rating of at least A-, financial size category VII.

- (a) Commercial general liability coverage on an occurrence basis in an amount of \$1,000,000 combined single limit for bodily injury and property damage with a policy aggregate per location of \$2,000,000. This coverage shall include contractual liability.
- (b) Umbrella/Excess Liability coverage in an amount of \$10,000,000 excess of coverage specified in (a) above.
- (c) All Risk Property coverage on a full replacement cost basis insuring all of SBCT's real and personal property located on or within GTE premises. SBCT 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.
- (d) Statutory Workers Compensation coverage.
- (e) Employers Liability coverage in an amount of \$500,000 each accident.
- (f) Commercial Automobile Liability coverage insuring all owned, hired and non-owned automobiles.

Notwithstanding anything herein to the contrary, the coverage requirements described in (c)-(f) above shall only be required if SBCT orders collocation services pursuant to this Attachment 1. The minimum amounts of insurance required in this section, may be satisfied by SBCT purchasing primary coverage in the amounts specified or by SBCT buying a separate umbrella and/or excess policy together with lower limit primary underlying coverage. The structure of the coverage is at SBCT's option, so long as the total amount of insurance meets GTE's minimum requirements.

- 7.2 Deductibles. Any deductibles, self-insured retentions (SIR), loss limits, retentions, etc. (collectively, "retentions") must be disclosed on a certificate of insurance provided to GTE, and GTE reserves the right to reject any such retentions in its reasonable discretion. All retentions shall be the responsibility of the SBCT.
- 7.3 Additional Insureds. GTE and its affiliates (which includes any corporation controlled by, controlling or in common control with GTE Corporation), its respective directors, officers and employees shall be named as additional insureds under all General Liability and Umbrella/Excess Liability Policies obtained by SBCT. Said endorsement shall provide that such additional insurance is primary insurance and shall not contribute with any insurance or self-insurance that GTE has secured to protect itself. All of the insurance afforded by the SBCT shall be primary in all respects, including SBCT's Umbrella/Excess Liability insurance. GTE's insurance coverage shall be excess over any indemnification and insurance afforded by SBCT and required hereby.
- 7.4 Waiver of Subrogation Rights. SBCT waives and will require all of its insurers to waive all rights of subrogation against GTE (including GTE Corporation and any other affiliated and/or managed entity), its directors, officers and employees, agents or assigns, whether in contract, tort (including negligence and strict liability) or otherwise.
- 7.5 Evidence of Insurance. All insurance must be in effect on or before GTE authorizes access by SBCT employees or placement of SBCT equipment or facilities within GTE premises and such insurance shall remain in force as long as SBCT's facilities remain within any space governed by this Agreement. If SBCT fails to maintain the coverage, GTE may pay the premiums and seek reimbursement from SBCT. Failure to make a timely reimbursement will result in disconnection of service. SBCT agrees to submit to GTE a certificate of insurance ACORD Form 25-S (1/95), or latest edition, such certificate to be signed by a duly authorized officer or agent of the Insurer, certifying that the minimum insurance coverages and conditions set forth herein are in effect, and that GTE will receive at least thirty (30) days notice of policy cancellation, expiration or non-renewal. At least thirty (30) days prior to the expiration of the policy, GTE must be furnished satisfactory evidence that such policy has been or will be renewed or replaced by another policy. At GTE's request, SBCT shall provide copies of the insurance provisions or endorsements as evidence that the required insurance has been procured, and that GTE has been named as an additional insured, prior to commencement of any service. In no event shall permitting SBCT access be construed as a waiver of the right of GTE to assert a claim against SBCT for breach of the obligations established in this section.
- 7.6 Compliance Requirements. SBCT shall require its contractors to comply with each of the provisions of this insurance section. This includes, but is not limited to, maintaining the minimum insurance coverages and limits, naming GTE (including GTE Corporation and any other affiliated and/or managed entity) as an additional insured under all liability insurance policies, and waiving all rights of subrogation against GTE (including GTE Corporation and any other affiliated and/or managed entity), its directors, officers and employees, agents or assigns, whether in contract, tort (including negligence and strict liability) or otherwise. Prior to commencement of any work, SBCT shall require and maintain certificates of insurance from each contractor evidencing the required coverages. At GTE's request, SBCT shall supply to GTE copies of such certificates of insurance or require the contractors to provide insurance provisions or endorsements as evidence that the required insurance has been procured. SBCT must also

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

8. Casualty. If the collocation equipment location in GTE's premises is rendered wholly unusable through no fault of SBCT, or if the building shall be so damaged that GTE shall decide to demolish it, rebuild it, or abandon it for premises 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 SBCT as soon as practicable but no later than one hundred eighty (180) days after such casualty specifying a date for the termination of the collocation arrangements, which shall not be more than sixty (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. SBCT 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, SBCT shall cooperate with GTE's restoration by removing from the collocation space, as promptly as reasonably possible, all of SBCT's salvageable inventory and movable equipment, furniture and other property. GTE will work cooperatively with SBCT to minimize any disruption to service, resulting from any damage. GTE shall provide written notification to SBCT detailing its plans to rebuild and will restore service as soon as practicable. In the event of termination, GTE's rights and remedies against SBCT in effect prior to such termination, and any fees owing, shall be paid up to such date. Any payments of fees made by SBCT which were because any period after such date shall be returned to SBCT. Should GTE elect to repair or rebuild the Premises, the recurring charges shall be proportionately abated to the extent and while SBCT is deprived of use. If GTE undertakes to repair the Premises, GTE will, to the extent technically and economically feasible, repair the SBCT collocation space and associated construction as originally prepared for SBCT.

9. Grounds for Termination.

- 9.1 Subject to applicable Law, GTE's obligation to provide collocation is contingent upon SBCT's compliance with the terms and conditions of this Attachment 1 and other applicable requirements of this Agreement, including, without limitation, GTE's receipt of all applicable fees, rates, charges, application forms and required permits. In addition to the other grounds for termination set forth in this Agreement, GTE also reserves the right, subject to any applicable notice provisions of this Agreement, to terminate collocation service to SBCT in the event SBCT: (a) is not in conformance with material GTE standards and requirements per this Agreement and/or (b) imposes continued disruption and threat of harm to GTE employees and/or network, or GTE's ability to provide service to other CLECs
- 9.2 Effects of Termination. Upon the termination of collocation service, SBCT shall disconnect and remove its equipment from the designated collocation space. GTE reserves the right to remove SBCT's equipment if SBCT fails to remove and dispose of the equipment within the thirty (30) days of discontinuance. SBCT will be charged the appropriate additional labor charge in Appendix A for the removal of such equipment. Upon removal by SBCT of all its equipment from the collocation space, SBCT will reimburse GTE for the cost to restore the collocation space to its original condition at time of occupancy. GTE will provide an itemized bill for such charges. The cost will be applied based on the additional labor charges rate set forth in Appendix A. Upon termination of collocation services, SBCT relinquishes all rights, title and ownership of cable to GTE.

10. Miscellaneous.

GTE retains ownership of premises floor space, adjacent land and equipment used to provide all forms of collocation. GTE reserves for itself and its successors and assignees, the right to utilize the premises space in such a manner as will best enable it to fulfill GTE's service requirements. SBCT does not receive, as a result of entering into a collocation arrangement hereunder, any right, title or interest in GTE's wire center facility, the multiplexing node, multiplexing node enclosure, cable space, cable racking, vault space or conduit space other than as expressly provided herein. To the extent that SBCT requires use of a GTE local exchange line, SBCT must order a business local exchange access line (B1) in accordance with Attachment 3, section 2.2.7 of the Agreement. SBCT may not use GTE official lines.

11. Ordering.

11.1 Point of Contact/CSP Packet. GTE will establish points of contact for SBCT to contact to place a request for collocation. The point of contact will provide SBCT with the CSP. The CSP is intended to provide general guidelines and operational and administrative assistance to CLECs seeking to order collocation services pursuant to this agreement. Such guidelines and operating practices and procedures must be flexible to accommodate changes in the dynamic telecommunications industry, changes to promote increased effectiveness and efficiency, etc. Therefore, GTE reserves the right, upon thirty (30) days' prior advance notice to SBCT, to make changes to the CSP. In reserving its right to make changes to the CSP, it is not GTE's intention to prejudice SBCT's rights under this agreement. If, in SBCT's opinion, a particular change to the CSP materially and adversely prejudices SBCT's existing rights under this agreement, SBCT may so notify GTE. If the Parties cannot resolve SBCT's concerns within a reasonable amount of time, SBCT may invoke the dispute resolution process under the interconnection agreement. In the event of a conflict between the CSP and this Agreement, the Agreement shall control.

11.2 SBCT agrees to use the then current GTE applications and ordering processes which shall not be contrary to this Agreement.

12. Pricing.

12.1 Rate Sheet.

Except as otherwise described herein, the rates for GTE's collocation services provided pursuant to this Agreement are set forth in Appendix A attached hereto. The rates identified in Appendix A shall be superseded by rates of general application contained in future final, binding and non-appealable orders (including, but not limited to rates contained in a GTE state tariff that is approved by the Commission), or as otherwise required by legal requirements (the "final rates"). To the extent that the final rates, or the terms and conditions for application of the final rates, are different than the rates in Appendix A, the final rates will be applied retroactively to the effective date of the supplemental agreement incorporating this Attachment. The Parties will true up any resulting over or under billing.

13. Billing and Payment.

The initial payment of NRCs shall be due and payable in accordance with Section 4.1. The balance of the NRCs and all related monthly recurring service charges will be billed to SBCT when GTE provides SBCT access to the caged, cageless or adjacent collocation arrangement and shall be payable in accordance with applicable established payment deadlines.

14. Cable. SBCT is required to provide proper cabling, based on circuit type (VF, DS0, xDSL, DS1, DS3, etc.) to ensure adequate shielding. SBCT is responsible for providing fire retardant riser cable that meets industry and fire code standards. GTE is responsible for placing SBCT's fire retardant riser cable from the cable vault to the collocation space. GTE is also responsible for installing SBCT provided fiber optic cable in the cable space or conduit from the first manhole outside of the wire center or access tandem into the wire center or access tandem and/or cable vault and perform vault splice if required. GTE may use shared conduit with dedicated inner duct. Where SBCT is providing underground fiber optic cable in the first manhole outside of the wire center or access tandem, it must be of sufficient length as specified by GTE to be pulled through the wire center or access tandem to SBCT's collocation space or to GTE's specified splice rack, if transition to fire retardant riser cable is required. Due to physical and technical constraints, removal of cable within the Premises, including the first manhole, will be at GTE's option. GTE will provide SBCT two Premises entrance points where multiple paths exist and space is available.
15. Manhole/Splicing Restrictions. Within its entrance manholes, GTE reserves the right to prohibit all equipment and facilities, other than fiber optic cable with the exception of copper cable to adjacent collocation structures. SBCT will not be permitted to splice fiber optic cable in the first manhole outside of the premises. SBCT may provide fire retardant underground fiber optic cable in Manhole #1, with sufficient length as specified by GTE to be pulled through the wire center or access tandem to SBCT's collocation space to avoid splicing. GTE is responsible for installing a cable splice, if necessary, within GTE's cable vault or designated splicing chamber. If required, GTE will provide space and racking for the placement of an approved secured fire retardant splice enclosure provided by GTE. All entrance facilities will be tagged to indicate ownership.
16. Access Points and Restrictions. The interconnection point for collocation is the point where SBCT-owned cable facilities connect to GTE termination equipment. This will be the point of demarcation between GTE and SBCT, SBCT will not be allowed access to GTE's DSX line-ups, MDF or any other GTE facility termination points. Only GTE employees, agents or contractors will be allowed access to the MDF or DSX to terminate facilities, test connectivity, run jumpers and/or hot patch in-service circuits.
17. Staging Area. For caged and cageless collocation arrangements, SBCT shall have the right to use a designated staging area, a portion of the premises and loading areas, if available, on a temporary basis during SBCT's equipment installation work in the collocation space. SBCT is responsible for protecting GTE's equipment and premises walls and flooring within the staging area and along the staging route. SBCT 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. SBCT may also utilize a staging trailer, which can be located on the exterior premises of GTE's premises. GTE may assess SBCT a market value lease rate for the area occupied by the trailer.
18. Testing. If requested by SBCT, upon installation of SBCT's equipment, and with prior notice, GTE will schedule time to work with SBCT during the turn-up phase of the equipment to ensure proper functionality between SBCT's equipment and the connections to GTE equipment. The time period for this to occur will correspond to GTE's maintenance window installation requirements. It is solely the responsibility of SBCT to provide their own monitor and test points, if required, for connection directly to their terminal equipment.
19. Network Outage, Damage and Reporting.

Subject to the limitations of liabilities set forth in the Agreement, The parties shall be responsible for: (a) any damage or network outage occurring as a result of their owned or designated termination equipment in GTE premises; (b) providing trouble report status

when requested; (c) providing a contact number that is readily accessible 24 hours a day, 7 days a week; (d) notifying each other of significant outages which impact or degrade each others switches, network facilities or equipment and services and provide estimated clearing time for restoral; and (e) testing its equipment to identify and clear a trouble report when the trouble has been sectionalized (isolated) to their service.

20. Reservation of Space.

GTE reserves the right to manage its wire center and access tandem conduit requirements and to reserve vacant space for planned facility. GTE will retain and reserve a limited amount of vacant floor space within its premises for its own specific future uses on terms no more favorable than applicable to any other CLECs seeking to reserve collocation space for their own future use. If the remaining vacant floor space within a wire center or access tandem is reserved for GTE's, SBCT's or other CLEC's own specific future use, the premises will be exempt from future caged and cageless collocation requests. SBCT shall not be permitted to reserve premises cable space or conduit system. If new conduit is required, GTE will negotiate with SBCT to determine an alternative arrangement for the specific location. SBCT will be allowed to reserve collocation space for its caged/cageless arrangements based on SBCT's documented forecast provided GTE and subject to space availability. Such forecast must demonstrate a legitimate need to reserve the space for use on terms no more favorable than applicable to GTE seeking to reserve vacant space for its own specific use. Cageless collocation bays may not be used solely for the purpose of storing SBCT equipment. Notwithstanding the above, GTE will relinquish any space held for its own future use before denying a request by SBCT for Virtual Collocation on the grounds of space limitations.

21. Use of Space.

GTE and SBCT will work cooperatively to determine proper space requirements, and efficient use of space. In addition to other applicable requirements set forth in this Agreement, SBCT shall install all its equipment within its designated area using engineering methods which will optimize the utilization of space within GTE's premises. SBCT shall use the collocation space for the purposes expressly authorized by applicable and effective orders and rules of the FCC and Commission and not for any other purposes. SBCT shall not construct improvements or make alterations or repairs to the collocation space without the prior written approval of GTE. The collocation space may not be used for administrative purposes and may not be used as SBCT's employee(s) work location, office or retail space, or storage. The collocation space shall not be used as SBCT's mailing or shipping address.

22. Reclamation.

When initiating an application form, SBCT must have started installing equipment approved for collocation at GTE wire center or access tandem within a reasonable period of time, not to exceed six (6) months from the date SBCT accepts the collocation arrangement. If SBCT does not utilize its collocation space within the established time period, and has not met the space reservation requirements of Section 5.4, GTE may reclaim the unused collocation space to accommodate another CLEC's request or GTE's future space requirements. In the event that any delay to SBCT's start of placing it's equipment is caused by GTE, then this deadline shall be extended a commensurate amount of time until GTE allows SBCT to start installations. GTE however, may extend beyond the six (6) months provided, should SBCT demonstrate a best effort to meet that deadline and shows that circumstances beyond its reasonable control prevented SBCT from meeting that deadline. GTE reserves its right, for good cause shown, and upon six (6) months' notice, to seek reclamation of any collocation space, cable space or conduit

space in order to fulfill its obligation under public service law and its tariffs to provide telecommunication services to its end users. If successful, GTE will reimburse SBCT for reasonable direct costs and expenses in connection with such reclamation. GTE will make every reasonable effort to find other alternatives before attempting to reclaim any such space.

SUPPLEMENTAL GLOSSARY OF TERMS FOR COLLOCATION ATTACHMENT

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.

GTE Guide

The GTE internet web site which contains GTE's operating practices and procedures and general information for pre-ordering, ordering, provisioning, repair and billing for resold services and unbundled elements and guidelines for obtaining interconnection with GTE's switched network.

GTOC

GTE Telephone Operating Company.

Main Distribution Frame (MDF)

The primary point at which outside plant facilities terminate within a Wire Center, for interconnection to other telecommunications facilities within the Wire Center. The distribution frame used to interconnect cable pairs and line trunk equipment terminating on a switching system.

Third Party Contamination

Environmental pollution that is not generated by the GTE or SBCT but results from off-site activities impacting a facility.

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.

**APPENDIX 2
COLLOCATION RATES**

CAGED COLLOCATION RATES			
Elements	Increment	NRC / MRC	Rate
<u>Non-Recurring Prices</u>			
Engineering Costs			
Engineering/Major Augment Fee	per occurrence	NRC	\$1,129.00
Minor Augment Fee	per occurrence	NRC	\$200.00
Access Card Administration (New/Replacement)	per card	NRC	\$21.00
Cage Enclosure			
25 - 100 Square Feet Floor Space	per cage	NRC	\$4,907.00
101 - 200 Square Feet Floor Space	per cage	NRC	\$5,661.00
201 - 300 Square Feet Floor Space	per cage	NRC	\$7,021.00
301 - 400 Square Feet Floor Space	per cage	NRC	\$8,382.00
401 - 500 Square Feet Floor Space	per cage	NRC	\$9,742.00
Augment	per SF fencing	NRC	\$13.00
DC Power	per amp	NRC	\$62.00
Overhead Superstructure	per project	NRC	\$2,372.00
Facility Pull/Termination			
Engineering	per project	NRC	\$72.00
Facility Pull	per cable run	NRC	\$190.00
DS0 Cable Termination	per 100 pair	NRC	\$4.00
DS1 Cable Termination	per 28 pair	NRC	\$1.00
DS3 Coaxial Cable Termination (Preconnectorized)	per termination	NRC	\$1.00
DS3 Coaxial Cable Termination (Unconnectorized)	per termination	NRC	\$10.00
Fiber Cable Pull			
Engineering	per project	NRC	\$607.00
Place Innerduct	per lin ft	NRC	\$2.00
Pull Cable	per lin ft	NRC	\$1.00
Cable Fire Retardant	per occurrence	NRC	\$38.00
Fiber Cable Splice			
Engineering	per project	NRC	\$31.00
Splice Cable	per fiber	NRC	\$45.00
BITS Timing	per project	NRC	\$307.00

CAGED COLLOCATION RATES

Elements	Increment	NRC / MRC	Rate
Monthly Recurring Prices			
Caged Floor Space including Shared Access Area	per sq ft	MRC	\$3.00
DC Power	per amp	MRC	\$15.00
Building Modification	per request	MRC	\$183.00
Environmental Conditioning	per amp	MRC	\$3.00
Facility Termination			
DS0	per 100 pr	MRC	\$4.00
DS1	per 28 pr	MRC	\$16.00
DS3	per DS3	MRC	\$11.00
Cable Rack Space - Metallic	per cable run	MRC	\$2.00
Cable Rack Space - Fiber	per innerduct ft	MRC	\$0.02
Manhole Space - Fiber	per project	MRC	\$6.00
Subduct Space - Fiber	per lin ft	MRC	\$0.04
Cable Vault Splice			
Fiber Cable - 48 Fiber			
Material	per splice	MRC	\$10.00
Space Utilization in Vault	per subduct	MRC	\$1.00
Fiber Cable - 96 Fiber			
Material	per splice	MRC	\$27.00
Space Utilization in Vault	per subduct	MRC	\$1.00
BITS Timing	per occurrence	MRC	\$11.00

CAGELESS COLLOCATION RATES

Elements	Increment	NRC / MRC	Rate
<u>Non-Recurring Prices</u>			
Engineering Costs			
Engineering/Major Augment Fee	per occurrence	NRC	\$1,129.00
Minor Augment Fee	per occurrence	NRC	\$200.00
Access Card Administration (New/Replacement)	per card	NRC	\$21.00
DC Power	per amp	NRC	\$62.00
Overhead Superstructure	per project	NRC	\$2,372.00
Facility Pull/Termination			
Engineering	per project	NRC	\$72.00
Facility Pull	per cable run	NRC	\$190.00
DS0 Cable Termination	per 100 pair	NRC	\$4.00
DS1 Cable Termination	per 28 pair	NRC	\$1.00
DS3 Coaxial Cable Termination (Preconnectorized)	per termination	NRC	\$1.00
DS3 Coaxial Cable Termination (Unconnectorized)	per termination	NRC	\$10.00
Fiber Cable Pull			
Engineering	per project	NRC	\$607.00
Place Innerduct	per lin ft	NRC	\$2.00
Pull Cable	per lin ft	NRC	\$1.00
Cable Fire Retardant	per occurrence	NRC	\$38.00
Fiber Cable Splice			
Engineering	per project	NRC	\$31.00
Splice Cable	per fiber	NRC	\$45.00
BITS Timing	per project	NRC	\$307.00

CAGELESS COLLOCATION RATES

Elements	Increment	NRC / MRC	Rate
<u>Monthly Recurring Prices</u>			
Floor Space			
Relay Rack	per lin ft	MRC	\$12.00
Cabinet	per lin ft	MRC	\$16.00
DC Power	per amp	MRC	\$15.00
Building Modification	per request	MRC	\$183.00
Environmental Conditioning	per amp	MRC	\$3.00
Facility Termination			
DS0	per 100 pr	MRC	\$4.00
DS1	per 28 pr	MRC	\$16.00
DS3	per DS3	MRC	\$11.00
Cable Rack Space - Metallic	per cable run	MRC	\$2.00
Cable Rack Space - Fiber	per innerduct ft	MRC	\$0.02
Manhole Space - Fiber	per project	MRC	\$6.00
Subduct Space - Fiber	per lin ft	MRC	\$0.04
Cable Vault Splice			
Fiber Cable - 48 Fiber			
Material	per splice	MRC	\$10.00
Space Utilization in Vault	per subduct	MRC	\$1.00
Fiber Cable - 96 Fiber			
Material	per splice	MRC	\$27.00
Space Utilization in Vault	per subduct	MRC	\$1.00
BITS Timing	per occurrence	MRC	\$11.00

ADJACENT COLLOCATION RATES

Elements	Increment	NRC / MRC	Rate
Non-Recurring Prices			
Engineering Fee	per occurrence	NRC	\$958.00
Fiber Cable Pull			
Engineering	per project	NRC	\$607.00
Place Innerduct	1 lin ft	NRC	\$2.00
Pull Cable	1 lin ft	NRC	\$1.00
Cable Fire Retardant	per occurrence	NRC	\$38.00
Metallic Cable Pull			
Engineering	per project	NRC	\$607.00
Pull Cable	1 lin ft	NRC	\$1.00
Cable Fire Retardant	per occurrence	NRC	\$38.00
Cable Splice			
Engineering	per project	NRC	\$31.00
Metallic Cable Splicing (greater than 200 pair)	per DSO/DS1 pair	NRC	\$1.00
Metallic Cable Splicing (200 pair or less)	per DSO/DS1 pair	NRC	\$2.00
Fiber Cable Splicing (48 fiber cable or less)	per fiber	NRC	\$45.00
Fiber Cable Splicing (greater than 48 fiber)	per fiber	NRC	\$40.00
Facility Pull			
Engineering	per project	NRC	\$72.00
Facility Pull	1 lin ft	NRC	\$1.00
Facility Termination			
DS0 Cable			
Connectorized	per 100 pr	NRC	\$4.00
Unconnectorized	per 100 pr	NRC	\$38.00
DS1 Cable			
Connectorized	per 28 pr	NRC	\$1.00
Unconnectorized	per 28 pr	NRC	\$29.00
DS3 (Coaxial) Cable			
Connectorized	per DS3	NRC	\$1.00
Unconnectorized	per DS3	NRC	\$10.00
Fiber	per fiber term	NRC	\$45.00
BITS Timing	per project	NRC	\$307.00

ADJACENT COLLOCATION RATES			
Elements	Increment	NRC / MRC	Rate

Monthly Recurring Prices

Cable Space

Subduct Space

Manhole	per project	MRC	\$6.00
Subduct	1 lin ft	MRC	\$0.04

Conduit Space - 4" Duct - Metallic Cable

Manhole	per conduit	MRC	\$10.00
Conduit	1 lin ft	MRC	\$0.04

Facility Termination

DS0	per 100 pr	MRC	\$4.00
DS1	per 28 pr	MRC	\$16.00
DS3	per coaxial	MRC	\$11.00

Cable Vault Space

Metallic DS0 Cable - 1200 Pair

Material	per splice	MRC	\$461.00
Space Utilization	per cable	MRC	\$4.00

Metallic DS0 Cable - 900 Pair

Material	per splice	MRC	\$337.00
Space Utilization	per cable	MRC	\$3.00

Metallic DS0 Cable - 600 Pair

Material	per splice	MRC	\$225.00
Space Utilization	per cable	MRC	\$3.00

Metallic DS0 Cable - 100 Pair

Material	per splice	MRC	\$47.00
Space Utilization	per cable	MRC	\$1.00

Fiber Cable - 48 fiber

Material	per splice	MRC	\$10.00
Space Utilization	per subduct	MRC	\$1.00

Fiber Cable - 96 fiber

Material	per splice	MRC	\$27.00
Space Utilization	per subduct	MRC	\$1.00

Cable Rack Space

Metallic DS0	1 lin ft	MRC	\$0.01
Metallic DS1	1 lin ft	MRC	\$0.01
Fiber	per innerduct ft	MRC	\$0.02
Coaxial	1 lin ft	MRC	\$0.01

BITS Timing

	per occurrence	MRC	\$11.00
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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
Cable Material			
Facility Cable-DS0 Cable (Connectorized) 100 pair	per cable run	NRC	\$331.00
Facility Cable-DS1 Cable (Connectorized)	per cable run	NRC	\$307.00
Facility Cable-DS3 Coaxial Cable	per cable run	NRC	\$84.00
Facility Cable-Shielded Cable (Orange Jacket)	per cable run	NRC	\$34.00
Power Cable-Wire Power 1/0	per cable run	NRC	\$93.00
Power Cable-Wire Power 2/0	per cable run	NRC	\$135.00
Power Cable-Wire Power 3/0	per cable run	NRC	\$149.00
Power Cable-Wire Power 4/0	per cable run	NRC	\$184.00
Power Cable-Wire Power 350 MCM	per cable run	NRC	\$313.00
Power Cable-Wire Power 500 MCM	per cable run	NRC	\$437.00
Power Cable-Wire Power 750 MCM	per cable run	NRC	\$673.00
Collocation Space Report	per premise	NRC	\$1,218.00

DESCRIPTION AND APPLICATION OF RATE ELEMENTS

Non-Recurring Charges

The following are non-recurring charges (one-time charges) that apply for specific work activity:

Engineering/Major Augment Fee. The Engineering/Major Augment Fee applies for each initial Caged and Cageless collocation request and major augment request. This charge recovers the costs of the initial walkthrough to determine if there is sufficient space for Caged or Cageless collocation, the best location for the collocation area, what building modifications are necessary to provide collocation, and if sufficient DC power facilities exist in the premises to accommodate collocation. This fee also includes the total time for the Building Services Engineer and the time for the Outside Plant and Central Office Engineers to attend status meetings.

Minor Augment Fee. The Minor Augment Fee applies for each minor augment request of an existing Cages or Cageless collocation arrangement that does not require additional AC or DC power systems, HVAC system upgrades, or additional cage space.

Access Card Administration. The Access Card Administration rate covers activities associated with the issuance and management of premises access cards. The rate is applied on a per card basis.

Cage Enclosure. The Cage Enclosure rate is applied per caged arrangement. This rate includes the labor and materials to recover the costs incurred in constructing the CLEC's cage, cage gate, and grounding bar. There are five caged enclosure rate elements based on the size of the cage: 25 to 100 square feet; 101 to 200 square feet; 201 to 300 square feet; 301 to 400 square feet; and 401 to 500 square feet.

Cage Enclosure Augment. The Cage Enclosure Augment rate is applied per square foot of fencing when a CLEC requests additional fencing for an existing caged arrangement.

BITS Timing. The non-recurring charge for BITS Timing includes engineering, materials, and labor costs to wire a BITS port to the CLEC's equipment. If requested, it is applied on a per project basis.

Overhead Superstructure. The Overhead Superstructure charge is applied for each initial caged and cageless collocation application. The Overhead Superstructure charge is designed to recover Verizon's engineering, material, and installation costs for extending dedicated overhead superstructure.

Facility Pull/Termination-Engineering. The Facility Pull/Termination-Engineering charge is applied per project to recover the engineering costs of pulling and terminating the interconnection wire (cable) from the collocation cage or relay rack to the Main Distribution Frame block or DSX panel.

Facility Pull. The Facility Pull charge is applied per cable run and recovers the labor cost of pulling the interconnection wire (cable) from the collocation cage or relay rack to the Main Distribution Frame block or DSX panel.

DSO Cable Termination. The DSO Cable Termination charge is applied per 100 pair DSO cable terminated and is designed to recover the labor cost of terminating DSO Cable from the collocation cage or relay rack to the Main Distribution Frame block or DSX panel.

DS1 Cable Termination. The DS1 Cable Termination charge is applied per 28 pair DS1 cable terminated and is designed to recover the labor cost of terminating DS1 Cable from the collocation cage or relay rack to the DSX panel.

DS3 Coaxial Cable Termination (Preconnectorized). The DS3 Coaxial Cable Termination (Preconnectorized) charge is applied per termination to recover the labor cost of terminating preconnectorized DS3 Cable from the collocation cage or relay rack to the DSX panel.

DS3 Coaxial Cable Termination (Unconnectorized). The DS3 Coaxial Cable Termination (Unconnectorized) charge is applied per termination to recover the labor cost of terminating preconnectorized DS3 Cable from the collocation cage or relay rack to the DSX panel.

Fiber Cable Pull-Engineering. The Fiber Cable Pull-Engineering charge is applied per project to cover the engineering costs for pulling the CLEC's fiber cable, when necessary, into Verizon's central office.

Fiber Cable Pull-Place Innerduct. The Fiber Cable Pull-Place Innerduct charge is applied per linear foot to cover the cost of placing innerduct. Innerduct is the split plastic duct placed from the cable vault to the CLEC's equipment area through which the CLEC's fiber cable is pulled.

Fiber Cable Pull-Labor. This charge is applied per linear foot and covers the labor costs of pulling the CLEC's fiber cable into Verizon's central office.

Fiber Cable Pull-Fire Retardant. This charge is associated with the filling of space around cables extending through walls and between floors with a non-flammable material to prevent fire from spreading from one room or floor to another.

Fiber Splice-Engineering. The Fiber Splice-Engineering charge is applied per project and covers the engineering costs for fiber cable splicing projects.

Fiber Splice. The Fiber Splice charge is applied per fiber cable spliced and recovers the labor cost associated with the splicing.

DC Power. The DC Power Charge is applied per 40 amps requested for each caged and cageless collocation application. This NRC recovers Verizon's engineering, material and installation costs for providing and terminating DC power runs to the collocation area.

Cable Material Charges. The CLEC has the option of providing its own cable or Verizon may, at the CLEC's request, provide the necessary transmission and power cables. If Verizon provides these cables, the applicable Cable Material Charge will be applied on a per cable run basis.

Adjacent Engineering Fee. The Adjacent Engineering Fee provides for the initial activities of the Central Office Equipment Engineer, Land & Building Engineer and the Outside Plant Engineer associated with determining the capabilities of providing Adjacent On-Site collocation. The labor charges are for an on-site visit, preliminary investigation of the manhole/conduit systems, wire center and property, and contacting other agencies that could impact the provisioning of adjacent collocation.

Adjacent Fiber Cable Pull-Engineering. The Adjacent Fiber Cable Pull-Engineering fee provides for engineering associated with pulling the CLEC's fiber cable in an adjacent collocation arrangement. The Adjacent Fiber Cable Pull-Engineering charge includes the time incurred by the Outside Plant Engineer on the project to determine the conduit/ subduct assignment and associated outside plant activity to complete the work.

Adjacent Fiber Cable Pull-Place Innerduct. This NRC covers the cost for placing innerduct, if required for adjacent collocation, which is the split plastic duct placed from the cable vault to the CLEC's equipment area through which the CLEC's fiber is pulled.

Adjacent Fiber Cable Pull-Labor. This charge covers the labor costs for pulling CLEC fiber cable for an adjacent collocation arrangement. Refer to Adjacent Fiber Cable Pull-Engineering above.

Adjacent-Cable Fire Retardant. This charge is associated with the filling of space around cables extending through walls and between floors with a non-flammable material to prevent fire from spreading from one room or floor to another.

Adjacent Metallic Cable Pull-Engineering. This NRC covers the engineering costs of pulling metallic cable for Adjacent collocation into Verizon's wire center. For Adjacent collocation, the metallic cable will be spliced in the cable vault to a stubbed connector located on the vertical side of the main distribution frame to provide proper protection for central office equipment.

Adjacent Metallic Cable Pull Labor. This charge covers the labor costs of pulling metallic cable for Adjacent collocation into Verizon's wire center.

Adjacent Cable Splice-Engineering. This charge covers the outside plant engineering costs for cable splice projects associated with an adjacent collocation arrangement.

Adjacent DS1/DS0 Cable Splice-Greater Than 200 Pair. This charge is for the labor to splice metallic cables and is based on a per pair spliced.

Adjacent DS1/DS0 Cable Splice-Less Than 200 Pair. This charge is for the labor to splice metallic cables and is based on a per pair spliced.

Adjacent Fiber Cable Splice. This charge covers the labor to splice fiber cables and is based on a per fiber spliced.

Adjacent Facility Pull-Engineering. This charge covers the engineering cost associated with the interconnection wire (cable) from the main distribution frame connector to a termination block or DSX panel.

Adjacent Facility Pull-Labor. This charge covers the labor of running the interconnection wire (cable) from the main distribution frame connector to a termination block or DSX panel.

Adjacent DS0 Cable Termination (Connectorized)/Adjacent DS0 Cable Termination (Unconnectorized). These charges cover the labor to terminate these types of interconnection wire (cable) for adjacent collocation to the main distribution frame block or DSX panel.

Adjacent DS1 Cable Termination (Connectorized)/Adjacent DS1 Cable Termination (Unconnectorized). These charges cover the labor of terminating these types of interconnection wire (cable) for adjacent collocation to the main distribution frame block or DSX panel.

Adjacent DS3 Coaxial Cable Termination (Preconnectorized) /Adjacent. These charges cover the labor of terminating this type of interconnection wire (cable) for adjacent collocation to the main distribution frame block or DSX panel.

Adjacent Fiber Cable Termination. This charge covers the labor of terminating fiber cable for adjacent collocation to the main distribution frame block or DSX panel.

Collocation Space Report. When requested by a CLEC, Verizon will submit a report that indicates Verizon's available collocation space in a particular premise. The report will be issued within ten calendar days of the request. The report will specify the amount of collocation space available at each requested premises, the number of collocators and any modifications in the use of the space since the last report. The report will also include measures that Verizon is taking to make additional space available for collocation.

Miscellaneous Services Labor. Additional labor, if required by the CLEC, to complete a collocation request.

Monthly Recurring Charges

The following are monthly charges. Monthly charges apply each month or fraction thereof that Collocation Service is provided.

Caged Floor Space. Caged Floor Space is the cost per square foot to provide environmentally conditioned caged floor space to the CLEC. Environmentally conditioned space is that which has proper humidification and temperature controls to house telecommunications equipment. The cost includes only that which relates directly to the land and building space itself.

Relay Rack Floor Space. The Relay Rack Floor Space charge provides for the environmentally conditioned floor space that a relay rack occupies based on linear feet. The standardized relay rack floor space depth is based on half the aisle area in front and back of the rack, and the depth of the equipment that will be placed within the rack.

Cabinet Floor Space. The Cabinet Floor Space charge provides for the environmentally conditioned floor space that a telecommunications equipment cabinet occupies based on linear feet. The standardized floor space depth is based on the size of the cabinet and half of the aisle in the front and rear of the cabinet. The cabinet size is based on Verizon's standard cabinet size of 33 inches by 29 inches.

Cable Subduct Space-Manhole. This charge applies per project per month and covers the cost of the space that the outside plant fiber occupies within the manhole.

Cable Subduct Space. The Subduct Space charge covers the cost of the subduct space that the outside plant fiber occupies and applies on a per linear foot basis.

Fiber Cable Vault Splice. The Fiber Cable Vault Splice charge applies per subduct or per splice and covers the space and material cost associated with the CLEC's fiber cable splice within Verizon's cable vault.

Cable Rack Space-Metallic. The Cable Space-Metallic charge is applied for each DS0, DS1 and DS3 cable run. The charge is designed to recover the space utilization cost that the CLEC's metallic and coaxial cable occupies within Verizon.

Cable Rack Space-Fiber. The Cable Rack Space-Fiber charge recovers the space utilization cost that the CLEC's fiber cable occupies within Verizon's cable rack system.

DC Power. The DC Power monthly charge is applied on a per 40 amp basis. This charge is designed to recover the monthly facility and utility expense to power the collocation equipment.

Facility Termination (DS0). This charge is applied per 100 pair cable terminated. This charge is designed to recover the labor and material cost of the main distribution frame 100 pair circuit block..

Facility Termination (DS1). The Facility Termination (DS1) charge is applied per 28 pair DS1 cable terminated. This charge is designed to recover the labor and material cost of the DSX facility termination panel.

Facility Termination (DS3). The Facility Termination (DS3) charge is applied per DS3 cable terminated. This charge recovers the labor and material cost of the DSX facility termination panel.

BITS Timing. The BITS Timing monthly charge is designed to recover equipment and installation cost to provide synchronized timing for electronic communications equipment. This rate is based on a per port cost.

Building Modification. The Building Modification monthly charge is applied to each caged and cageless arrangement and is associated with provisioning the following items in Verizon's premises: security, dust partition, ventilation ducts, demolition/site work, lighting, outlets, and grounding equipment.

Environmental Conditioning. The Environmental Conditioning charge is applied to each caged and cageless arrangement on a per 40 amp increment based on the CLEC's DC Power requirements. This charge is associated with the provisioning of heating, ventilation, and air conditioning systems for the CLEC's equipment in Verizon's premises.

Adjacent Cable Subduct Space-Manhole. This charge covers the space utilization cost that the outside plant fiber or metallic cable occupies within the manhole.

Adjacent Cable Subduct Space. The Adjacent Cable Subduct Space charge covers the space utilization cost of the subduct that the outside plant fiber or metallic cable occupies within the conduit system.

Adjacent Conduit Space (Metallic)-Manhole. This charge covers the space utilization cost that the outside plant metallic cable occupies within the manhole.

Adjacent Conduit Space (Metallic). This charge covers the space utilization cost that the outside plant metallic cable occupies within the conduit system.

Adjacent Facility Termination DS0 Cable. This charge is applied per 100 pair cable terminated. This charge is designed to recover the labor and material cost of the main distribution frame 100 pair circuit block.

Adjacent Facility Termination DS1 Cable. The Facility Termination (DS1) charge is applied per 28 pair DS1 cable terminated. This charge is designed to recover the labor and material cost of the DSX facility termination panel.

Adjacent Facility Termination DS3 Cable. The Facility Termination (DS3) charge is applied per DS3 cable terminated. This charge recovers the labor and material cost of the DSX facility termination panel.

Adjacent Cable Vault Space. The Adjacent Cable Vault Space charge covers the cost of the space the CLEC's cable occupies within the cable vault. The charge is based on the diameter of the cable or subduct.

Adjacent Cable Rack Space. This charge covers the space utilization cost that the CLEC's fiber, metallic or coaxial cable occupies within the cable rack system. The charge is based on the linear feet occupied.

APPENDIX 1 - DS3

1. Verizon will offer unbundled network element DS-3 loops ("DS-3 loops") to SBCT subject to the following terms and conditions.
2. The terms and conditions of the Underlying Agreement will apply to the provision of DS-3 loops, except to the extent inconsistent with any terms and conditions contained herein (if any provision in the Underlying Agreement conflicts with this Supplemental Agreement, this Supplemental Agreement shall control).¹

3. Description.

DS-3 loops will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps. The DS-3 loop provides the equivalent of 28 DS-1 channels and shall include the electronics at either end.

4. Rates and charges.

The monthly recurring rate is \$ 1208.03 per DS-3 loop.

The nonrecurring charges for ordering and provisioning of DS-3 loops unbundled network elements are:

Ordering

100% Manual	\$ 40.56
Semi Mechanized	\$ 25.03

Provisioning

Initial Unit	\$569.13
Additional Unit	\$303.39

Ordering

Initial Service Order (ISO) applies to each Local Service Request (LSR) and Access Service Request (ASR) for new service. Charge is Manual (e.g., for a faxed order) or Semi-Mechanized (e.g., for an electronically transmitted order) based upon the method of submission used by SBCT.

Provisioning

Initial Unit applies per ISO for the first unit installed. The Additional Unit applies for each additional unit installed on the same ISO.

¹ The Parties' reservation of rights and positions set forth in the Underlying Agreement are incorporated by reference and restated as if fully set forth herein. Furthermore, the Parties expressly reserve their rights pursuant to the Underlying Agreement, in the event that such Rules are later modified or eliminated due to changes in legal requirements, including, but not limited to, the right to incorporate the decision of the United States Court of Appeals for the Eighth Circuit on July 18, 2000 (See Iowa Utilities Board, et. al. v. Federal Communications Commission and the United States of America, No. 96-3321 (and consolidated cases)).

5. Rate Changes.

The rates and charges set forth in this Supplemental Agreement are subject to change and/or modification based on the following contingencies:

5.1 GTE and SBCT agree that if any generic rate proceeding or other proceeding initiated during the term of this Supplemental Agreement results in a Commission Order adjusting or modifying, in whole or in part, the rates and/or charges set forth in this Supplemental Agreement, then the rates and/or charges set forth in this Supplemental Agreement shall be deemed to have been automatically amended, and such amendment shall be effective upon the date of the applicable Order. If such an order issues during the term of this Supplemental Agreement, 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 this Supplemental Agreement. The Parties will true-up any resulting over or under billing. 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 final, binding and non-appealable Order. Any underpayment shall be paid, and any overpayment shall be refunded, within forty-five (45) Business Days after the date on which such Order becomes final, binding and non-appealable. The Parties agree that the provisions of this Section 5.1 shall survive the termination, rescission, modification or expiration of this Supplemental Agreement without limit as to time. Each Party acknowledges that the other Party may seek to enforce the provisions in this Section 5.1 before a commission or court of competent jurisdiction.

5.2 Verizon and SBCT further agree that the rates and charges set forth in this Supplemental Agreement and any rates or charges that are adjusted or modified pursuant to Section 5.1 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, without limitation, the following: (1) Verizon's unrecovered costs (e.g., actual costs, contribution, undepreciated reserve deficiency, or similar unrecovered Verizon costs (including Verizon's interim universal service support charge)); (2) the establishment of a competitively neutral universal service system; (3) 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 Supplemental Agreement that impact the rates and/or charges set forth in this Supplemental Agreement or any rates or charges as adjusted or modified pursuant to Section 5.1, including, without limitation, the current appeal of the FCC pricing rules pending before the Eighth Circuit Court of Appeals (See Docket No. 96-321) and any appeal of the FCC's new UNE rules; or (4) any other relevant appeal or litigation. The Parties agree that if the rates or charges set forth in this Supplemental Agreement or any rates or charges as

adjusted or modified pursuant to Section 5.1 are deemed to be unlawful or otherwise modified pursuant to such an order or decision, or are otherwise stayed, enjoined or impacted, or the methodology from which they were derived is held to be unlawful or otherwise invalid, in whole or in part, by such an order or decision, then this Supplemental Agreement shall be deemed to have been automatically amended as of the date of the order or decision to reflect the modified rates or charges, or, as appropriate, replacement rates and/or charges ("new rates"), which the Parties agree to negotiate in good faith within ninety (90) calendar days of the applicable decision or order. Such new rates 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 new rates shall be applied retroactively to the Effective Date of this Supplemental Agreement. The Parties will true-up any resulting over or under billing. 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 final, binding and non-appealable Order. Any underpayment shall be paid, and any overpayment shall be refunded within forty-five (45) Business Days after the date on which such Order becomes final, binding and non-appealable. The Parties agree that the provisions of this Section 5.2 shall survive the termination, rescission, modification or expiration of this Supplemental Agreement without limit as to time and that in the event that the Eighth Circuit Court of Appeals or any other court or commission of competent jurisdiction issues an order or decision as contemplated in this Section 5.2 after this Supplemental Agreement terminates or expires, either Party may require a true-up of the affected rates or charges based on that decision or order retroactive to the Effective Date of this Supplemental Agreement. Each Party acknowledges that the other Party may seek to enforce the provisions in this Section 5.2 before a commission or court of competent jurisdiction.

6. The Parties acknowledge and agree that this Supplemental Agreement shall terminate simultaneously with the termination or expiration of the Underlying Agreement but that the true up obligations set forth in Paragraph 5 of this Supplemental Agreement shall survive its termination.
7. This Supplemental Agreement constitutes the entire agreement of the Parties pertaining to the subject matter hereof and supercedes 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 Supplemental Agreement other than those specifically set forth herein.