

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

_____ ) Petition by DIECA Communications, Inc. d/b/a ) Covad Communications Company for Arbitration ) of Interconnection Rates, Terms, and Conditions ) and Related Arrangements with Verizon Florida ) Inc. Pursuant to Section 252(b) of the ) Telecommunications Act of 1996 ) _____ )	Docket No. 020960-TP  Filed: October 1, 2002
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**VERIZON FLORIDA INC.'S RESPONSE  
TO COVAD'S PETITION FOR ARBITRATION**

Verizon Florida Inc. ("Verizon"), by counsel and pursuant to 47 U.S.C. § 252(b)(3), submits this Response to the Petition for Arbitration ("Petition") filed by DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") on September 6, 2002.

**PARTIES**

*1. DIECA Communications, Inc. d/b/a Covad Communications Company is a Virginia corporation and a wholly-owned subsidiary of Covad Communications Group, Inc., a publicly traded corporation formed under the laws of the state of Delaware. DIECA d/b/a Covad is a telecommunications carrier authorized to provide telecommunications services in the state of Florida.*

1. Verizon admits the allegations in Paragraph 1 on information and belief.

*2. Verizon is a corporation organized and formed under the laws of the state of Florida. Verizon is a subsidiary of Verizon Communications Group Inc., a Delaware corporation. Verizon is a "Bell Operating Company," or BOC as that term is defined by Section 3(35) of the Telecommunications Act of 1996 ("Act"). 47 U.S.C. § 153(35). Verizon is a certificated local exchange and intraLATA interexchange carrier and currently provides local service, intraLATA service and other services within its certificated areas in Florida. Verizon is an incumbent local exchange carrier ("ILEC") in Florida as defined by Section 251(h) of the Act. 47 U.S.C. § 251(h). Within its operating territory, Verizon has been the incumbent local exchange provider of telephone exchange services at all relevant times.*

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2. Verizon admits the allegations in Paragraph 2, with the exception of the allegations in the second and third sentences, which it denies. Verizon Florida Inc. is a subsidiary of GTE Corporation, which is a subsidiary of Verizon Communications Inc. Moreover, Verizon Florida Inc. is not a BOC, as that term is defined in the Communications Act of 1934, as amended. *See* 47 U.S.C. § 153(4)(A). Although Verizon Florida Inc. is an affiliate of a number of the companies listed in § 3(4) of the Act, that section expressly excludes such affiliates from the definition of a BOC. *See id.* § 153(4)(C).

### **JURISDICTION**

3. *This Commission has jurisdiction over Covad's Petition pursuant to Section 252(b)(1) of the Act. 47 U.S.C. § 252(b)(1). Under the Act, parties to a negotiation for interconnection, access to unbundled network elements ("UNEs"), or resale of services within a particular state have a right to petition the state commission for arbitration of any open issues when negotiations between them fail to yield an agreement. 47 U.S.C. § 252(b). Under Section 252(b)(1) of the Act, the request for arbitration by the state commission may be made at any time during the period from the 135th to the 160th day (inclusive) after the date on which the ILEC receives a request for negotiations under Section 251 of the Act. The open issues must be resolved not later than nine months after the request for negotiations. 47 U.S.C. § 252(b)(4)(C).*

3. Verizon admits the allegations in Paragraph 3 and agrees that the Commission has jurisdiction over this arbitration pursuant to 47 U.S.C. § 252.

4. *Pursuant to the Act and its initial interconnection agreement ("Initial Agreement") with Verizon, the Parties subsequently stipulated that the date of request for negotiations should be deemed to be March 30, 2002, and Covad now files this timely Petition for resolution of disputed issues. Pursuant to Section 252(b)(4)(C) of the Act, this Commission is to resolve each issue set forth in the Petition and any Response on or before June 6, 2003.*

4. Verizon admits the allegations in the first sentence of Paragraph 4 and agrees that the Petition was timely filed. Verizon denies the allegation in the second sentence of Paragraph 4. Nine months after the stipulated date of the request for initial negotiations is December 30, 2002, not June 6, 2003. The parties, however, are permitted to waive the requirement of a

resolution within nine months of the initial request for negotiations, and the parties have agreed to do so here.

### **STANDARD OF REVIEW**

5. *This arbitration must be resolved by the standards established in Sections 251 and 252 of the Act and the effective rules adopted by the Federal Communications Commission ("FCC"). Section 252(c) of the Act requires a state commission resolving open issues through arbitration to:*

*(1) ensure that such resolution and conditions meet the requirements of section 251, including the regulations prescribed by the [FCC] pursuant to Section 251;*

*(2) establish any rates for interconnection, services, or network elements according to subsection (d) [of Section 252].*

*47 U.S.C. § 252(c).*

5. Verizon admits the allegations in Paragraph 5.

6. *The Commission may also impose additional requirements pursuant to section 252(e)(3) of the Act, as long as such requirements are consistent with the Act and the FCC's regulations. 47 U.S.C. § 252(e). In addition, the Commission is free to impose additional requirements pursuant to its own state authority.*

6. The allegations in Paragraph 6 are legal arguments to which no response is required. To the extent a response is required, Verizon denies that Covad has accurately stated federal law. Section 252(e)(3) preserves the Commission's authority to establish or enforce other requirements of state law, but only insofar as any such additional requirements are not inconsistent with federal law.

7. *The Commission is required to make an affirmative determination that the rates, terms, and conditions that it prescribes in this arbitration proceeding for interconnection are consistent with the requirements of Sections 251(b) and (c) and Section 252(d) of the Act. 47 U.S.C. § 252(d).*

7. Verizon admits the allegations in Paragraph 7, insofar as they are limited to describing the standards that this Commission must apply if it arbitrates the open issues related to pricing in this proceeding.

8. *Section 251 of the Act provides the minimum standards for Verizon in negotiating and providing interconnection to alternative local exchange carriers (“ALECs”), including Covad. Those standards include unbundled access to the local exchange carriers’ facilities and information and to the network’s functions and services on a nondiscriminatory basis. Verizon must provide interconnection with ALECs that is at least equal in quality to that Verizon provides to itself and “on rates, terms and conditions that are just, reasonable, and nondiscriminatory . . . .” (Section 251(c)(2)). This Section further requires that Verizon provide nondiscriminatory access to UNEs at any technically feasible point individually and in combinations at cost based rates. (Section 251(c)(3)). Similarly, this Section requires that Verizon provide, rates, terms and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at Verizon’s premises (except that Verizon may provide for virtual collocation if it can demonstrate to the Commission that physical location is not practical for technical reasons or because of space limitations). (Section 251(c)(6)).*

8. The allegations in Paragraph 8 are legal arguments to which no response is required. To the extent a response is required, Verizon denies that Covad has accurately stated federal law. Section 252(a) permits carriers to negotiate agreements “without regard” to the standards set forth in § 251, 47 U.S.C. § 252(a)(1); accordingly, § 251 does not provide “minimum standards for Verizon in negotiating” such agreements. Insofar as this Commission arbitrates open issues with respect to specific subsections of § 251(c), Verizon avers that the Commission must resolve those issues consistent with the 1996 Act and the FCC’s implementing regulations. *See id.* § 252(e).

9. *Section 252(d) of the Act sets forth the applicable pricing standards for interconnection, network elements, and resale at wholesale rates of ILEC retail services. Section 252(d) also sets the applicable pricing standard for transport and termination of traffic.*

9. Verizon admits the allegations in Paragraph 9, insofar as they are limited to describing the standards that this Commission must apply if it arbitrates the open issues related to pricing in this proceeding.

10. *Covad and Verizon entered into an Initial Interconnection Agreement (subsequently amended on several occasions) on April 14, 1999. The Initial Interconnection Agreement between Covad and Verizon expired on April 14, 2001. Pursuant to the terms of the Initial Interconnection Agreement, and by agreement of the*

*Parties, Covad and Verizon have continued operating under the Initial Interconnection Agreement during negotiations for a successor agreement.*

10. Verizon admits the allegations in the first and third sentences of Paragraph 10.

Verizon denies the allegations of the second sentence of Paragraph 10. The initial term of what Covad refers to as the Initial Interconnection Agreement expired on July 19, 2001.

### **ISSUES IN DISPUTE**

*12. Covad and Verizon have reached agreement on a substantial number of issues. Attachment A includes all agreed-upon language. Covad and Verizon intend to execute this agreement, and submit it to the Commission for approval pursuant to 47 U.S.C. § 252(e)(2). Despite these agreements, numerous issues remain open and in dispute as set forth in Attachments B and C to this Petition. Covad and Verizon have agreed to arbitrate these issues before the Commission and, upon receiving the Commission's decision in this case, will amend their agreement in Attachment A to reflect the Commission's resolution of the issues. Attachment B includes a short description of each issue, assigns the issue a number, sets forth the positions of Covad and Verizon, and identifies the section(s) of the Interconnection Agreement which are affected.*

12. Verizon admits the allegations in the first three sentences of Paragraph 12, as of the time of the filing of Covad's Petition. Attached hereto as Attachment A is an updated agreement containing all currently agreed-upon language. Verizon denies the allegations in the final sentence of Paragraph 12, insofar as Covad claims to have accurately represented Verizon's position on the disputed issues. A short description of Verizon's actual position on each issue is presented in Attachment B. Verizon will also continue to negotiate in good faith with Covad to resolve disputed issues during the pendency of these proceedings.

*13. Attachment C to this Petition is the Proposed Language Matrix, which depicts the proposed language of Covad and Verizon on each of the disputed issues.*

13. Verizon admits the allegations in Paragraph 13, insofar as it relates to the language proposed by Covad at the time it filed its petition, but denies that Verizon's proposed language was as set forth in that attachment. An updated version of the proposed language matrix is contained in Attachment C.

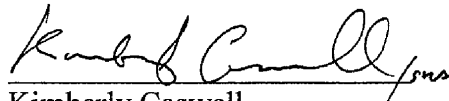
**RELIEF REQUESTED**

*WHEREFORE, Covad respectfully requests that the Commission arbitrate the open issues identified in this Petition in accordance with Sections 251 and 252 of the federal Telecommunications Act of 1996, and adopt the positions of Covad as set forth therein, and require the parties to enter into an Interconnection Agreement that includes all of the terms agreed to during negotiations and, on all disputed points, incorporates and adopts the specific terms and contract language proposed by Covad, which are identified in the Proposed Language Matrix (Attachment C).*

*Covad further requests that the Commission order the Parties to file on a date certain an Interconnection Agreement (between Covad and Verizon), incorporating the Commission's decision as described above, for approval by the Commission pursuant to Section 252(e) of the Act.*

This paragraph contains a prayer for relief, to which no response is required. To the extent a response is required, Verizon denies that Covad is entitled to the relief requested.

Respectfully submitted,



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October 1, 2002

Attorneys for Verizon Florida Inc.

**AGREEMENT**

**Effective as of September 30,2002**

**by and between**

**DIECA COMMUNICATIONS,INC  
d/b/a Covad Communications Company**

**and**

**VERIZON FLORIDA INC.**

**FOR THE STATE OF**

**FLORIDA**

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## **AGREEMENT**

### **PREFACE**

This Agreement ("Agreement") is effective as of September 30, 2002 (the "Effective Date"), between DIECA Communications d/b/a Covad Communications Company (Covad), a corporation organized under the laws of the Commonwealth of Virginia, with offices at 3200 Corporate Drive, Herndon, VA 20171 and Verizon Florida Inc. ("Verizon"), a corporation organized under the laws of the State of Florida with offices at 201 N. Franklin Street, Tampa, FL 33602-5167. Verizon and Covad may each sometimes be referred to as "Party" or "other Party," and jointly as "the Parties," in this Agreement.

### **GENERAL TERMS AND CONDITIONS**

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, Verizon and Covad hereby agree as follows:

#### **1. The Agreement**

- 1.1 This Agreement includes: (a) the Principal Document; (b) the Tariffs of each Party applicable to the Services that are offered for sale by it in the Principal Document (which Tariffs are incorporated and made a part hereof this Agreement by reference); and, (c) an Order by a Party that has been accepted by the other Party. The Parties do not incorporate Tariff terms in the Agreement that would override either sections 1-50 of the General Terms and Conditions or the Glossary of the Principal Document.
- 1.2 Conflicts among provisions in the Principal Document, Tariffs, and an Order by a Party which has been accepted by the other Party, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) the Tariffs; and, (c) an Order by a Party that has been accepted by the other Party. The fact that a provision appears in the Principal Document but not in a Tariff, or in a Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2.
- 1.3 This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation, on the subject matter hereof. Except as otherwise provisioned in the Principal Document, the Principal Document may not be amended, waived or modified except by a written document that is signed by the Parties. Subject to the requirements of Applicable Law, a Party shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party. Except as expressly provided in this Principal Document, such addition, modification, or withdrawal of a Tariff shall not amend, waive, or modify the terms of the Principal Document. The fact that a Tariff of one Party is incorporated into this Agreement shall not limit in any way the ability of the other Party to file a complaint regarding or otherwise contest the terms of that Tariff under Applicable Law.

#### **2. Term and Termination**

- 2.1 This Agreement shall be effective as of the Effective Date and, unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect

until September 30, 2005 (the "Initial Term"). Thereafter, this Agreement shall continue in force and effect unless and until cancelled or terminated as provided in this Agreement.

- 2.2 Either Covad or Verizon may terminate this Agreement effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term by providing written notice of termination at least ninety (90) days in advance of the date of termination.
- 2.3 If either Covad or Verizon provides notice of termination pursuant to Section 2.2 and on or before the proposed date of termination either Covad or Verizon has requested negotiation of a new interconnection agreement, unless this Agreement is cancelled or terminated earlier in accordance with the terms hereof (including, but not limited to, pursuant to Section 12), this Agreement shall remain in effect until the earlier of: (a) the effective date of a new interconnection agreement between Covad and Verizon; or, (b) the date one (1) year after the proposed date of termination.
- 2.4 If either Covad or Verizon provides notice of termination pursuant to Section 2.2 and by 11:59 PM Eastern Time on the proposed date of termination neither Covad nor Verizon has requested negotiation of a new interconnection agreement, (a) this Agreement will terminate at 11:59 PM Eastern Time on the proposed date of termination, and (b) the Services being provided under this Agreement at the time of termination will be terminated, except to the extent that the Purchasing Party has requested that such Services continue to be provided pursuant to an applicable Tariff or Statement of Generally Available Terms (SGAT).
- 2.5 If either Covad or Verizon provides notice of termination pursuant to this Section or Section 12, Covad and Verizon agree to take commercially reasonable steps to transition services so as to attempt to minimize the impact on end users; provided, however, that the foregoing shall not, in any case, affect: (a) Verizon's termination rights under Section 12; or (b) Verizon's right to receive (and Covad's obligation to make) payments for services provided by Verizon (whether under this Agreement or otherwise); provided further that, notwithstanding any other provision in this Agreement, Verizon does not agree to provide services hereunder to any person or entities other than Covad.
- 2.6 Nothing in this Agreement is intended to prevent Covad from selecting other terms than those set forth in the Agreement to the extent permitted by Section 252(i) of the Act and Applicable Law.

### **3. Glossary and Attachments**

The Glossary and the following Attachments are a part of this Agreement:

Additional Services Attachment

Resale Attachment

UNE Attachment

Collocation Attachment

911 Attachment

Pricing Attachment

#### 4. **Applicable Law**

- 4.1 The construction, interpretation and performance of this Agreement shall be governed by (a) the laws of the United States of America and (b) the laws of the State of Florida without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws.
- 4.2 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement.
- 4.3 Neither Party shall be liable for any delay or failure in performance by it that results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.
- 4.4 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 4.5 If any provision of this Agreement shall be held to be invalid or unenforceable under Applicable Law by a court or government agency of competent jurisdiction, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.
- 4.6 If any legislative, regulatory, judicial or other governmental decision, order, determination or action, or any change in Applicable Law, materially affects any material provision of this Agreement, the rights or obligations of a Party hereunder, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law. If within thirty (30) days of the effective date of such decision, determination, action or change, the Parties are unable to agree in writing upon mutually acceptable revisions to this Agreement, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction, without first pursuing dispute resolution in accordance with Section 14 of this Agreement.
- 4.7 Notwithstanding anything in this Agreement to the contrary, if, as a result of any legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to Covad hereunder, then Verizon may discontinue immediately the provision of any arrangement for such Service, payment or benefit, except that existing arrangements for such Services that are already provided to Covad shall be provided for a transition period of up to forty-five (45) days, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for

termination of such Service in which event such specified period and/or conditions shall apply.

**5. Assignment**

Neither Party may assign this Agreement or any right or interest under this Agreement, nor delegate any obligation under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment or delegation in violation of this Section 5 shall be void and ineffective and constitute default of this Agreement.

**6. Assurance of Payment**

6.1 Upon request by Verizon, Covad shall provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder.

6.2 Assurance of payment of charges may be requested by Verizon if Covad (a) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, does not have established credit with Verizon (where establishing credit with any Verizon Operating Telephone Company shall be considered as establishing credit with Verizon), (b) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, (c) fails to timely pay a bill rendered to Covad by Verizon (except such portion of a bill that is subject to a good faith, bona fide dispute and as to which Covad has complied with the notice and other provisions of Section 9.3), or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.

6.3 Unless otherwise agreed by the Parties, the assurance of payment shall, at Verizon's option, consist of (a) a cash security deposit in U.S. dollars held by Verizon or (b) an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon. The cash security deposit or letter of credit shall be in an amount equal to two (2) months anticipated charges (including, but not limited to, both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to Covad in connection with this Agreement.

6.4 To the extent that Verizon elects to require a cash deposit, the Parties intend that the provision of such deposit shall constitute the grant of a security interest in the deposit pursuant to Article 9 of the Uniform Commercial Code as in effect in any relevant jurisdiction.

6.5 If payment of interest on a cash deposit is required by an applicable Verizon Tariff or by Applicable Law, interest will be paid on any such cash deposit held by Verizon at the higher of the interest rate stated in such Tariff or the interest rate required by Applicable Law.

6.6 Verizon may (but is not obligated to) draw on the letter of credit or cash deposit, as applicable, upon notice to Covad in respect of any amounts to be paid by Covad hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.

- 6.7 If Verizon draws on the letter of credit or cash deposit, upon request by Verizon, Covad shall provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 6.2.
- 6.8 Notwithstanding anything else set forth in this Agreement, if Verizon makes a request for assurance of payment in accordance with the terms of this Section, then Verizon shall have no obligation thereafter to perform under this Agreement until such time as Covad has provided Verizon with such assurance of payment; provided, however, that Verizon shall give Covad a minimum of ten (10) calendar days to respond to a request for assurance of payment before invoking this paragraph.
- 6.9 The fact that a deposit or a letter of credit is requested by Verizon hereunder shall in no way relieve Covad from compliance with the requirements of this Agreement (including, but not limited to, any applicable Tariffs) as to advance payments and payment for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of Services for nonpayment of any amounts payment of which is required by this Agreement.

## **7. Audits**

- 7.1 Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") books, records, documents, facilities and systems for the purpose of evaluating the accuracy of the Audited Party's bills containing the charges applied under this Agreement. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit found previously uncorrected net inaccuracies in billing in favor of the Audited Party having an aggregate value of at least \$1,000,000.
- 7.2 The audit shall be performed by independent certified public accountants selected and paid by the Auditing Party. The accountants shall be reasonably acceptable to the Audited Party. Prior to commencing the audit, the accountants shall execute an agreement with the Audited Party in a form reasonably acceptable to the Audited Party that protects the confidentiality of the information disclosed by the Audited Party to the accountants. The audit shall take place at a time and place agreed upon by the Parties; provided, that the Auditing Party may require that the audit commence no later than sixty (60) days after the Auditing Party has given notice of the audit to the Audited Party.
- 7.3 Each Party shall cooperate fully in any such audit, providing reasonable access to any and all employees, books, records, documents, facilities and systems, reasonably necessary to assess the accuracy of the Audited Party's bills.
- 7.4 Audits shall be performed at the Auditing Party's expense, provided that there shall be no charge for reasonable access to the Audited Party's employees, books, records, documents, facilities and systems necessary to assess the accuracy of the Audited Party's bills.

## **8. Authorization**

- 8.1 Verizon represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has full



power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

8.2 Covad represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, and has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

8.3 Covad Certification

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as Covad has obtained such FCC and Commission authorization as may be required by Applicable Law for conducting business in Florida. Covad shall not place any orders under this Agreement until it has obtained such authorization. Upon the request of Verizon, Covad shall provide proof of such authorization within thirty (30) days.

## **9. Billing and Payment; Disputed Amounts**

9.1 Except as otherwise provided in this Agreement, each Party shall submit to the other Party on a monthly basis in an itemized form, statement(s) of charges incurred by the other Party under this Agreement. Such statements shall be in electronic form, and contain information consistent with industry standards in Billing Output Specification, Bill Data Tape (BOS BDT) format.

9.2 Except as otherwise provided in this Agreement, payment of amounts billed for Services provided under this Agreement, whether billed on a monthly basis or as otherwise provided in this Agreement, shall be due, in immediately available U.S. funds, on the later of the following dates (the "Due Date"): (a) the due date specified on the billing Party's statement; or, (b) twenty (20) days after the date the statement, in readable electronic form, is received by the billed Party. Payments shall be transmitted by electronic funds transfer. The billing Party shall provide any appropriate bill credits to the billed party within 60 days of incurring the obligation to provide such credits.

9.3 If any portion of an amount billed by a Party under this Agreement is subject to a good faith dispute between the Parties, the billed Party shall give notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. A Party may also dispute prospectively with a single notice a class of charges that it disputes. Notice of a dispute may be given by a Party at any time, either before or after an amount is paid, and a Party's payment of an amount shall not constitute a waiver of such Party's right to subsequently dispute its obligation to pay such amount or to seek a refund of any amount paid. The billed Party shall pay by the Due Date all undisputed amounts. Billing disputes shall be subject to the terms of Section 14, Dispute Resolution. If the billing Party determines that the disputed amounts are not owed to it, it must provide to the billed Party information identifying the bill and Bill Account Number (BAN) to which an appropriate credit will be applied.

9.4 If the billing Party fails to receive payment for outstanding charges by the Due Date, it is entitled to assess a late payment charge to the billed Party. The late payment charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month.

- 9.5 Although it is the intent of both Parties to submit timely statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion.
- 9.6 If Verizon bills Covad for previously unbilled services or products that were provided more than 90 days before the current bill date, Covad may, for the charges related to those specific services or products (and only those services or products), take an extra 30 days to pay without incurring a late payment charge. Covad must invoke this right by notifying Verizon in writing within 15 days after receipt of the bill.

## 10. Confidentiality

- 10.1 As used in this Section 10, "Confidential Information" means the following information that is disclosed by one Party ("Disclosing Party") to the other Party ("Receiving Party") in connection with, or anticipation of, this Agreement:
- 10.1.1 Books, records, documents and other information disclosed in an audit pursuant to Section 7;
- 10.1.2 Any forecasting information provided pursuant to this Agreement.
- 10.1.3 Customer Information (except to the extent that (a) the Customer information is published in a directory, (b) the Customer information is disclosed through or in the course of furnishing a Telecommunications Service, such as a Directory Assistance Service, Operator Service, Caller ID or similar service, or LIDB service, or, (c) the Customer to whom the Customer Information is related has authorized the Receiving Party to use and/or disclose the Customer Information);
- 10.1.4 Information related to specific facilities or equipment (including, but not limited to, cable and pair information);
- 10.1.5 any information that is in written, graphic, electromagnetic, or other tangible form, and marked at the time of disclosure as "Confidential" or "Proprietary;" and
- 10.1.6 any information that is communicated orally or visually and declared to the Receiving Party at the time of disclosure, and by written notice with a statement of the information given to the Receiving Party within ten (10) days after disclosure, to be "Confidential" or "Proprietary".

Notwithstanding any other provision of this Agreement, a Party shall have the right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Sections 10.1.5 or 10.1.6.

- 10.2 Except as otherwise provided in this Agreement, the Receiving Party shall:

- 10.2.1 use the Confidential Information received from the Disclosing Party only in performance of this Agreement; and,
- 10.2.2 using the same degree of care that it uses with similar confidential information of its own (but in no case a degree of care that is less than commercially reasonable), hold Confidential Information received from the Disclosing Party in confidence and restrict disclosure of the Confidential Information solely to those of the Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, that have a need to receive such Confidential Information in order to perform the Receiving Party's obligations under this Agreement. The Receiving Party's Affiliates and the directors, officers, employees, Agents and contractors of the Receiving Party and the Receiving Party's Affiliates, shall be required by the Receiving Party to comply with the provisions of this Section 10 in the same manner as the Receiving Party. The Receiving Party shall be liable for any failure of the Receiving Party's Affiliates or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates, to comply with the provisions of this Section 10.
- 10.3 The Receiving Party shall return or destroy all Confidential Information received from the Disclosing Party, including any copies made by the Receiving Party, within thirty (30) days after a written request by the Disclosing Party is delivered to the Receiving Party, except for (a) Confidential Information that the Receiving Party reasonably requires to perform its obligations under this Agreement, and (b) one copy for archival purposes only.
- 10.4 Unless otherwise agreed, the obligations of Sections 10.2 and 10.3 do not apply to information that:
- 10.4.1 was, at the time of receipt, already in the possession of or known to the Receiving Party free of any obligation of confidentiality and restriction on use;
- 10.4.2 is or becomes publicly available or known through no wrongful act of the Receiving Party, the Receiving Party's Affiliates, or the directors, officers, employees, Agents or contractors of the Receiving Party or the Receiving Party's Affiliates;
- 10.4.3 is rightfully received from a third person having no direct or indirect obligation of confidentiality or restriction on use to the Disclosing Party with respect to such information;
- 10.4.4 was developed by the Receiving Party without the developing persons having been previously shown prior to developing any of the Confidential Information;
- 10.4.5 is approved for disclosure or use by written authorization of the Disclosing Party (including, but not limited to, in this Agreement); or
- 10.4.6 is required to be disclosed by the Receiving Party pursuant to Applicable Law, provided that the Receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement to the

Disclosing Party in order to enable the Disclosing Party to seek protective arrangements.

- 10.5 Notwithstanding the provisions of Sections 10.1 through 10.4, the Receiving Party may use and disclose Confidential Information received from the Disclosing Party to the extent necessary to enforce the Receiving Party's rights under this Agreement or Applicable Law. In making any such disclosure, the Receiving Party shall make reasonable efforts to preserve the confidentiality and restrict the use of the Confidential Information while it is in the possession of any person to whom it is disclosed, including, but not limited to, by requesting any governmental entity to whom the Confidential Information is disclosed to treat it as confidential and restrict its use to purposes related to the proceeding pending before it.
- 10.6 The Disclosing Party shall retain all of the Disclosing Party's right, title and interest in any Confidential Information disclosed by the Disclosing Party to the Receiving Party. Except as otherwise expressly provided in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark or copyright), nor is any such license to be implied solely by virtue of the disclosure of Confidential Information.
- 10.7 The provisions of this Section 10 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to the use, or protection of the confidentiality of, CPNI provided by Applicable Law.
- 10.8 Each Party's obligations under this Section 10 shall survive expiration, cancellation or termination of this Agreement.

## **11. Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

## **12. Default**

If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.

## **13. Discontinuance of Service by Covad**

- 13.1 If Covad proposes to discontinue, or actually discontinues, its provision of service to all or substantially all of its Customers, whether voluntarily, as a result of bankruptcy, or for any other reason, Covad shall send written notice of such discontinuance to Verizon, the Commission, and each of Covad's Customers. Covad shall provide such notice such number of days in advance of discontinuance of its service as shall be required by Applicable Law. Unless the period for advance notice of discontinuance of service required by Applicable

Law is more than thirty (30) days, to the extent commercially feasible, Covad shall send such notice at least thirty (30) days prior to its discontinuance of service.

- 13.2 Such notice must advise each Covad Customer that unless action is taken by the Covad Customer to switch to a different carrier prior to Covad's proposed discontinuance of service, the Covad Customer will be without the service provided by Covad to the Covad Customer.
- 13.3 Should a Covad Customer subsequently become a Verizon Customer, Covad shall provide Verizon with all information necessary for Verizon to establish service for the Covad Customer, including, but not limited to, the CLEC Customer's billed name, listed name, service address, and billing address, and the services being provided to the Covad Customer.
- 13.4 Nothing in this Section 13 shall limit Verizon's right to cancel or terminate this Agreement or suspend provision of Services under this Agreement.

#### **14. Dispute Resolution**

- 14.1 Except as otherwise provided in this Agreement, any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties. To initiate such negotiation, a Party must provide to the other Party written notice of the dispute that includes both a detailed description of the dispute or alleged nonperformance and the name of an individual who will serve as the initiating Party's representative in the negotiation. The other Party shall have ten business days to designate its own representative in the negotiation. The Parties' representatives shall meet at least once within 45 days after the date of the initiating Party's written notice in an attempt to reach a good faith resolution of the dispute. Upon agreement, the Parties' representatives may utilize other alternative dispute resolution procedures such as private mediation to assist in the negotiations.
- 14.2 If the Parties have been unable to resolve the dispute within 45 days of the date of the initiating Party's written notice, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction.

#### **15. Force Majeure**

- 15.1 Neither Party shall be responsible for any delay or failure in performance which results from causes beyond its reasonable control ("Force Majeure Events"), whether or not foreseeable by such Party, subject to Section 15.2. Such Force Majeure Events include, but are not limited to, adverse weather conditions, flood, fire, explosion, earthquake, volcanic action, power failure, embargo, boycott, war, revolution, civil commotion, act of public enemies, labor unrest (including, but not limited to, strikes, work stoppages, slowdowns, picketing or boycotts), inability to obtain equipment, parts, software or repairs thereof, acts or omissions of the other Party, and acts of God.
- 15.2 If a Force Majeure Event occurs, the non-performing Party shall give prompt notification of its inability to perform to the other Party and shall be excused from such performance on a day-to-day basis to the extent of such prevention,

restriction, or interference (and the other Party shall likewise be excused from performance of its obligations that are reciprocal to, or depend upon, the performance of the non-performing Party that has been prevented by the Force Majeure Event, specifically including the other Party's obligation to pay rates for the services or network elements that the non-performing Party is unable to provide) until the delay, restriction or interference has ceased; provided however, that the non-performing Party so affected shall use commercially reasonable efforts to remove or mitigate such causes of nonperformance and both Parties shall proceed to perform whenever such causes are removed or cease.

15.3 Notwithstanding the provisions of Sections 15.1 and 15.2, in no case shall a Force Majeure Event excuse either Party from an obligation to pay money as required by this Agreement, nor shall a Force Majeure Event excuse Verizon from its obligations of nondiscrimination and parity treatment of competitors under Applicable Law.

15.4 Nothing in this Agreement shall require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

## **16. Forecasts**

In addition to any other forecasts required by this Agreement, upon request by Verizon, Covad shall provide to Verizon non-binding forecasts regarding the Services that Covad expects to purchase from Verizon, including, but not limited to, forecasts regarding the types and volumes of Services that Covad expects to purchase and the locations where such Services will be purchased.

## **17. Fraud**

Each Party assumes responsibility for all fraud associated with its Customers and accounts. Neither Party is responsible for, nor is it required to investigate or make adjustments to the other Party's account in cases of, fraud by the other Party's Customers or other third parties. The Parties shall cooperate with one another to investigate, minimize, and take corrective action in cases of fraud.

## **18. Good Faith Performance**

The Parties shall act in good faith in their performance of this Agreement. Except as otherwise expressly stated in this Agreement (including, but not limited to, where consent, approval, agreement or a similar action is stated to be within a Party's sole discretion), where consent, approval, mutual agreement or a similar action is required by any provision of this Agreement, such action shall not be unreasonably withheld, conditioned or delayed.

## **19. Headings**

The headings used in the Principal Document are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of the Principal Document.

## **20. Indemnification**

20.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party ("Indemnified Party"), the Indemnified Party's Affiliates, and the

directors, officers and employees of the Indemnified Party and the Indemnified Party's Affiliates, from and against any and all Claims that arise out of bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the grossly negligent or intentionally wrongful acts or omissions of the Indemnifying Party, the Indemnifying Party's Affiliates, or the directors, officers, employees, agents or contractors of the Indemnifying Party or the Indemnifying Party's Affiliates, in connection with this Agreement.

20.2 Indemnification Process:

20.2.1 As used in this Section 20, "Indemnified Person" means a person whom an Indemnifying Party is obligated to indemnify, defend and/or hold harmless under Section 20.1.

20.2.2 An Indemnifying Party's obligations under Section 20.1 shall be conditioned upon the following:

20.2.3 The Indemnified Person: (a) shall give the Indemnifying Party notice of the Claim promptly after becoming aware thereof (including a statement of facts known to the Indemnified Person related to the Claim and an estimate of the amount thereof); (b) prior to taking any material action with respect to a Third Party Claim, shall consult with the Indemnifying Party as to the procedure to be followed in defending, settling, or compromising the Claim; (c) shall not consent to any settlement or compromise of a Third Party Claim without the written consent of the Indemnifying Party; (d) shall permit the Indemnifying Party to assume the defense of a Third Party Claim (including, except as provided below, the compromise or settlement thereof) at the Indemnifying Party's own cost and expense, provided, however, that the Indemnified Person shall have the right to approve the Indemnifying Party's choice of legal counsel.

20.2.4 If the Indemnified Person fails to comply with Section 20.2.3 with respect to a Claim, to the extent such failure shall have a material adverse effect upon the Indemnifying Party, the Indemnifying Party shall be relieved of its obligation to indemnify, defend and hold harmless the Indemnified Person with respect to such Claim under this Agreement.

20.2.5 Subject to 20.2.6 and 20.2.7, below, the Indemnifying Party shall have the authority to defend and settle any Third Party Claim.

20.2.6 With respect to any Third Party Claim, the Indemnified Person shall be entitled to participate with the Indemnifying Party in the defense of the Claim if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Person. In so participating, the Indemnified Person shall be entitled to employ separate counsel for the defense at the Indemnified Person's expense. The Indemnified Person shall also be entitled to participate, at its own expense, in the defense of any Claim, as to any portion of the Claim as to which it is not entitled to be indemnified, defended and held harmless by the Indemnifying Party.

20.2.7 In no event shall the Indemnifying Party settle a Third Party Claim or consent to any judgment with regard to a Third Party Claim without the

prior written consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed. In the event the settlement or judgment requires a contribution from or affects the rights of an Indemnified Person, the Indemnified Person shall have the right to refuse such settlement or judgment with respect to itself and, at its own cost and expense, take over the defense against the Third Party Claim, provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify or hold harmless the Indemnified Person against, the Third Party Claim for any amount in excess of such refused settlement or judgment.

20.2.8 The Indemnified Person shall, in all cases, assert any and all provisions in applicable Tariffs and Customer contracts that limit liability to third persons as a bar to, or limitation on, any recovery by a third-person claimant.

20.2.9 The Indemnifying Party and the Indemnified Person shall offer each other all reasonable cooperation and assistance in the defense of any Third Party Claim.

20.3 Each Party agrees that it will not implead or bring any action against the other Party, the other Party's Affiliates, or any of the directors, officers or employees of the other Party or the other Party's Affiliates, except for a claim within the indemnification obligation of Section 20.1, based on any claim by any person for personal injury or death that occurs in the course or scope of employment of such person by the other Party or the other Party's Affiliate and that arises out of performance of this Agreement.

20.4 Each Party's obligations under this Section 20 shall survive expiration, cancellation or termination of this Agreement.

## **21. Insurance**

21.1 Covad shall maintain during the term of this Agreement and for a period of two years thereafter all insurance and/or bonds required to satisfy its obligations under this Agreement (including, but not limited to, its obligations set forth in Section 20 hereof) and all insurance and/or bonds required by Applicable Law. The insurance and/or bonds shall be obtained from an insurer having an A.M. Best insurance rating of at least A-, financial size category VII or greater. At a minimum and without limiting the foregoing undertaking, Covad shall maintain the following insurance:

21.1.1 Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least \$1,000,000 combined single limit for each occurrence.

21.1.2 Motor Vehicle Liability Insurance, Comprehensive Form, covering all owned, hired and non-owned vehicles, with limits of at least \$1,000,000 combined single limit for each occurrence.

21.1.3 Excess Liability Insurance, in the umbrella form, with limits of at least \$10,000,000 combined single limit for each occurrence.



- 21.1.4 Worker's Compensation Insurance as required by Applicable Law and Employer's Liability Insurance with limits of not less than \$1,000,000 per occurrence.
- 21.1.5 All risk property insurance on a full replacement cost basis for all of Covad's real and personal property located at any Collocation site or otherwise located on or in any Verizon premises (whether owned, leased or otherwise occupied by Verizon), facility, equipment or right-of-way.
- 21.2 Any deductibles, self-insured retentions or loss limits ("Retentions") for the foregoing insurance must be disclosed on the certificates of insurance to be provided to Verizon pursuant to Sections 21.4 and 21.5, and Verizon reserves the right to reject any such Retentions in its reasonable discretion. All Retentions shall be the responsibility of Covad.
- 21.3 Covad shall name Verizon and Verizon's Affiliates as additional insureds on the foregoing liability insurance.
- 21.4 Covad shall, within two (2) weeks of the Effective Date hereof, on a semi-annual basis thereafter, and at such other times as Verizon may reasonably specify, furnish certificates or other proof of the foregoing insurance reasonably acceptable to Verizon. The certificates or other proof of the foregoing insurance shall be sent to: Director – Contract Performance & Administration, Verizon Wholesale Markets, 600 Hidden Ridge, HQEWMNOTICES, Irving Texas 75038.
- 21.5 Covad shall require its contractors, if any, that may enter upon the premises or access the facilities or equipment of Verizon or Verizon's affiliated companies to maintain insurance in accordance with Sections 21.1 through 21.3 and, if requested, to furnish Verizon certificates or other adequate proof of such insurance acceptable to Verizon in accordance with Section 21.4.
- 21.6 If Covad or Covad's contractors fail to maintain insurance as required in Sections 21.1 through 21.5, above, Verizon may purchase such insurance and Covad shall reimburse Verizon for the cost of the insurance.
- 21.7 Certificates furnished by Covad or Covad's contractors shall contain a clause stating: "Verizon Florida Inc. shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."

## **22. Intellectual Property**

- 22.1 Except as expressly stated in this Agreement, this Agreement shall not be construed as granting a license with respect to any patent, copyright, trade name, trademark, service mark, trade secret or any other intellectual property, now or hereafter owned, controlled or licensable by either Party. Except as expressly stated in this Agreement, neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right, of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.
- 22.2 Except as stated in Section 22.4, neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Affiliates or Customers based on or arising from any Third Party Claim alleging or

asserting that the provision or use of any service, facility, arrangement, or software by either Party under this Agreement, or the performance of any service or method, either alone or in combination with the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third person. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

22.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EACH PARTY OF THE OTHER'S SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT.

22.4 Covad agrees that the Services provided by Verizon hereunder shall be subject to the terms, conditions and restrictions contained in any applicable agreements (including, but not limited to software or other intellectual property license agreements) between Verizon and Verizon's vendors. Verizon agrees to advise Covad, directly or through a third party, of any such terms, conditions or restrictions that may limit any Covad use of a Service provided by Verizon that is otherwise permitted by this Agreement. At Covad's written request, to the extent required by Applicable Law, Verizon will use Verizon's best efforts, as commercially practicable, to obtain intellectual property rights from Verizon's vendor to allow Covad to use the Service in the same manner as Verizon that are coextensive with Verizon's intellectual property rights, on terms and conditions that are equal in quality to the terms and conditions under which Verizon has obtained Verizon's intellectual property rights. Covad shall reimburse Verizon for the cost of obtaining such rights.

### **23. Joint Work Product**

The Principal Document is the joint work product of the Parties, has been negotiated by the Parties, and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

### **24. Law Enforcement.**

24.1 Each Party may cooperate with law enforcement authorities and national security authorities to the full extent required or permitted by Applicable Law in matters related to Services provided by it under this Agreement, including, but not limited to, the production of records, the establishment of new lines or the installation of new services on an existing line in order to support law enforcement and/or national security operations, and, the installation of wiretaps, trap-and-trace facilities and equipment, and dialed number recording facilities and equipment.

24.2 A Party shall not have the obligation to inform the other Party or the Customers of the other Party of actions taken in cooperating with law enforcement or national security authorities, except to the extent required by Applicable Law.

24.3 Where a law enforcement or national security request relates to the establishment of lines (including, but not limited to, lines established to support interception of communications on other lines), or the installation of other services, facilities or arrangements, a Party may act to prevent the other Party

from obtaining access to information concerning such lines, services, facilities and arrangements, through operations support system interfaces.

## 25. Liability

- 25.1 As used in this Section 25, "Service Failure" means a failure to comply with a direction to install, restore or terminate Services under this Agreement, a failure to provide Services under this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any Services under this Agreement.
- 25.2 Except as otherwise stated in Section 25.5, the liability, if any, of a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, to the other Party, the other Party's Customers, and to any other person, for Claims arising out of a Service Failure shall not exceed an amount equal to the pro rata applicable monthly charge for the Services that are subject to the Service Failure for the period in which such Service Failure occurs.
- 25.3 Except as otherwise stated in Section 25.5, a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, shall not be liable to the other Party, the other Party's Customers, or to any other person, in connection with this Agreement (including, but not limited to, in connection with a Service Failure or any breach, delay or failure in performance, of this Agreement) for special, indirect, incidental, consequential, reliance, exemplary, punitive, or like damages, including, but not limited to, damages for lost revenues, profits or savings, or other commercial or economic loss, even if the person whose liability is excluded by this Section has been advised of the possibility of such damages.
- 25.4 The limitations and exclusions of liability stated in Sections 25.1 through 25.3 shall apply regardless of the form of a claim or action, whether statutory, in contract, warranty, strict liability, tort (including, but not limited to, negligence of a Party), or otherwise.
- 25.5 Nothing contained in Sections 25.1 through 25.4 shall exclude or limit liability:
- 25.5.1 Under Sections 20, Indemnification or 41, Taxes;
  - 25.5.2 for any obligation to indemnify, defend and/or hold harmless that a Party may have under this Agreement;
  - 25.5.3 for damages arising out of or resulting from bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, or Toxic or Hazardous Substances, to the extent such damages are otherwise recoverable under Applicable Law;
  - 25.5.4 for damages arising out of or resulting from (1) a Party's willful or intentional misconduct; or (2) a Party's intentional failure to perform a manifest duty in reckless disregard of the consequences for the other Party's property or the lives of its employees, agents and designees;
  - 25.5.5 of either Party to pay penalties related to and arising out of failure to adhere to the Performance Standards referenced in Section 31;
  - 25.5.6 for a claim for infringement of any patent, copyright, trade name, trade

mark, service mark, or other intellectual property interest;

25.5.7 under Section 258 of the Act or any order of FCC or the Commission implementing Section 258; or

25.5.8 under the financial incentive or remedy provisions of any service quality plan required by the FCC or the Commission.

25.6 In the event that the liability of a Party, a Party's Affiliate, or a director, officer or employee of a Party or a Party's Affiliate, is limited and/or excluded under both this Section 25 and a provision of an applicable Tariff, the liability of the Party or other person shall be limited to the smaller of the amounts for which such Party or other person would be liable under this Section or the Tariff provision.

25.7 Each Party shall, in its tariffs and other contracts with its Customers, provide that in no case shall the other Party, the other Party's Affiliates, or the directors, officers or employees of the other Party or the other Party's Affiliates, be liable to such Customers or other third-persons for any special, indirect, incidental, consequential, reliance, exemplary, punitive or other damages, arising out of a Service Failure.

25.8 No reference in this Section 25 to a Party's Affiliate, or director, officer or employee of a Party or a Party's Affiliate shall be construed as implying that any such Affiliate, director, officer, or employee is subject to any duties, liabilities, or obligations under this Agreement.

## **26. Network Management**

26.1 Cooperation. The Parties will work cooperatively in a commercially reasonable manner to install and maintain a reliable network. Covad and Verizon will exchange appropriate information (e.g., network information, maintenance contact numbers, escalation procedures, and information required to comply with requirements of law enforcement and national security agencies) to achieve this desired reliability. In addition, the Parties will work cooperatively in a commercially reasonable manner to apply sound network management principles to alleviate or to prevent traffic congestion and, subject to Section 17, to minimize fraud associated with the services provided under this agreement.

26.2 Responsibility for Following Standards. Each Party recognizes a responsibility to follow the standards that may be agreed to between the Parties and to employ characteristics and methods of operation that will not interfere with or impair the service, network or facilities of the other Party or any third parties connected with or involved directly in the network or facilities of the other.

26.3 Interference or Impairment. If a Party ("Impaired Party") reasonably determines that the services, network, facilities, or methods of operation, of the other Party ("Interfering Party") will or are likely to interfere with or impair the Impaired Party's provision of services or the operation of the Impaired Party's network or facilities, the Impaired Party may interrupt or suspend any Service provided to the Interfering Party to the extent necessary to prevent such interference or impairment, subject to the following:

26.3.1 Except in emergency situations (e.g., situations involving a risk of

bodily injury to persons or damage to tangible property, or an interruption in Customer service) or as otherwise provided in this Agreement, the Impaired Party shall have given the Interfering Party at least ten (10) days' prior written notice of the interference or impairment or potential interference or impairment and the need to correct the condition within said time period; and,

26.3.2 Upon correction of the interference or impairment, the Impaired Party will promptly restore the interrupted or suspended Service. The Impaired Party shall not be obligated to provide an out-of-service credit allowance or other compensation to the Interfering Party in connection with the suspended Service.

26.4 Outage Repair Standard. In the event of an outage or trouble in any Service being provided by a Party hereunder, the Providing Party will follow its standard procedures for isolating and clearing the outage or trouble.

## **27. Non-Exclusive Remedies**

Except as otherwise expressly provided in this Agreement, each of the remedies provided under this Agreement is cumulative and is in addition to any other remedies that may be available under this Agreement or at law or in equity.

## **28. Notice of Network Changes**

If a Party makes a change in the information necessary for the transmission and routing of services using that Party's facilities or network, or any other change in its facilities or network that will materially affect the interoperability of its facilities or network with the other Party's facilities or network, the Party making the change shall publish notice of the change at least ninety (90) days in advance of such change, and shall use reasonable efforts, as commercially practicable, to publish such notice at least one hundred eighty (180) days in advance of the change; provided, however, that if an earlier publication of notice of a change is required by Applicable Law (including, but not limited to, 47 CFR 51.325 through 51.335) notice shall be given at the time required by Applicable Law.

## **29. Notices**

29.1 Except as otherwise provided in this Agreement, notices given by one Party to the other Party under this Agreement:

29.1.1 shall be in writing;

29.1.2 shall be delivered (a) personally, (b) by express delivery service with next business day delivery, (c) by First Class, certified or registered U.S. mail, postage prepaid, (d) by facsimile telecopy, with a copy delivered in accordance with (a), (b) or (c), preceding, or, (e) by electronic mail, with a copy delivered in accordance with (a), (b) or (c), preceding; and

29.1.3 shall be delivered to the following addresses of the Parties:

To Covad:

Attention: Brad Sonnenberg  
Senior Vice President & General Counsel  
Covad Communications Company  
3420 Central Expressway  
Santa Clara, CA 95051

Telephone Number: (408) 616-6613  
Facsimile Number: (408) 616-6604  
Internet Address: bsonnenb@covad.com

with a copy to:

Valerie Evans  
Covad Team Lead for Verizon  
Covad Communications Company  
600 14<sup>th</sup> Street, NW, Suite 750  
Washington, DC 20005  
Telephone Number: (202) 220-0416  
Facsimile Number: (202) 220-0401  
Internet Address: vevans@covad.com

To Verizon:

Director-Contract Performance & Administration  
Verizon Wholesale Markets  
600 Hidden Ridge  
HQEWMNOTICES  
Irving, TX 75038  
Telephone Number: 972-718-5988  
Facsimile Number: 972-719-1519  
Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Associate General Counsel  
Verizon Wholesale Markets  
1515 N. Court House Road  
Suite 500  
Arlington, VA 22201  
Facsimile: 703/351-3664

or to such other address as either Party shall designate by proper notice.

Notices will be deemed given as of the earlier of (a) where there is personal delivery of the notice, the date of actual receipt, (b) where the notice is sent via express delivery service for next business day delivery, the next business day after the notice is sent, (c) where the notice is sent by First Class U.S. Mail, three (3) business days after mailing, (d) where notice is sent via certified or registered U.S. mail, the date of receipt shown on the Postal Service receipt, (e) where the notice is sent via facsimile telecopy, on the date set forth on the telecopy confirmation if sent on a business day before 5 PM in the time zone where it is received, or the next business day after the date set forth on the telecopy confirmation if sent on other than a business day or on any day after 5 PM in the time zone where it is received, and (f) where the notice is sent via

electronic mail, on the date of transmission, if sent on a business day before 5 PM in the time zone where it is received, or the next business day after the date of transmission, if sent on other than a business day or on any day, after 5 PM in the time zone where it is received.

### **30. Ordering and Maintenance**

Covad shall use Verizon's electronic Operations Support System access platforms to submit Orders and requests for maintenance and repair of Services, and to engage in other pre-ordering, ordering, provisioning, maintenance and repair transactions. If Verizon has not yet deployed an electronic capability for Covad to perform a pre-ordering, ordering, provisioning, maintenance or repair, transaction offered by Verizon, Covad shall use such other processes as Verizon has made available for performing such transaction (including, but not limited, to submission of Orders by telephonic facsimile transmission and placing trouble reports by voice telephone transmission). The charges for such non-electronic processes shall be treated as if the means used were electronic, unless Covad specifically requests such non-electronic processes.

### **31. Performance Standards**

- 31.1 Verizon shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law, including, but not limited to, Section 251(c) of the Act and 47 CFR §§ 51.305(a)(3), 51.311(a) and (b) and 51.603(b).
- 31.2 To the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier Performance Assurance Plan," of the Merger Order, or by any applicable order of the Commission, Verizon shall provide performance measurement results to Covad.
- 31.3 Covad shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.

### **32. Point of Contact for Covad Customers**

- 32.1 Covad shall establish telephone numbers and mailing addresses at which Covad Customers may communicate with Covad and shall advise Covad Customers of these telephone numbers and mailing addresses.
- 32.2 Except as otherwise agreed to by Verizon, Verizon shall have no obligation, and may decline, to accept a communication from a Covad customer, including, but not limited to, a Covad Customer request for repair or maintenance of a Verizon Service provided to Covad.

### **33. Predecessor Agreements**

- 33.1 Except as stated in Section 33.2 or as otherwise agreed in writing by the Parties:
  - 33.1.1 any prior interconnection or resale agreement between the Parties for the State of Florida pursuant to Section 252 of the Act and in effect immediately prior to the Effective Date is hereby terminated; and

- 33.1.2 any Services that were purchased by one Party from the other Party under a prior interconnection or resale agreement between the Parties for the State of Florida pursuant to Section 252 of the Act and in effect immediately prior to the Effective Date, shall as of the Effective Date be subject to and purchased under this Agreement.
- 33.2 Except as otherwise agreed in writing by the Parties, if a Service purchased by a Party under a prior interconnection or resale agreement between the Parties pursuant to Section 252 of the Act was subject to a contractual commitment that it would be purchased for a period of longer than one month, and such period had not yet expired as of the Effective Date and the Service had not been terminated prior to the Effective Date, to the extent not inconsistent with this Agreement, such commitment shall remain in effect and the Service will be purchased under this Agreement; provided, that if this Agreement would materially alter the terms of the commitment, either Party make elect to cancel the commitment.
- 33.3 If either Party elects to cancel the commitment pursuant to the proviso in Section 33.2, the Purchasing Party shall not be liable for any termination charge that would otherwise have applied. However, if the commitment was cancelled by the Purchasing Party, the Providing Party shall be entitled to payment from the Purchasing Party of the difference between the price of the Service that was actually paid by the Purchasing Party under the commitment and the price of the Service that would have applied if the commitment had been to purchase the Service only until the time that the commitment was cancelled.

#### **34. Publicity and Use of Trademarks or Service Marks**

- 34.1 A Party, its Affiliates, and their respective contractors and Agents, shall not use the other Party's trademarks, service marks, logos or other proprietary trade dress, in connection with the sale of products or services, or in any advertising, press releases, publicity matters or other promotional materials, unless the other Party has given its written consent for such use, which consent the other Party may grant or withhold in its sole discretion. Nothing contained herein shall preclude Covad from truthfully representing orally to its customers upon their inquiry that Verizon is the underlying carrier for any particular part of its service.
- 34.2 Neither Party may imply any direct or indirect affiliation with or sponsorship or endorsement of it or its services or products by the other Party.
- 34.3 Any violation of this Section 34 shall be considered a material breach of this Agreement.

#### **35. References**

- 35.1 All references to Sections, Appendices and Exhibits shall be deemed to be references to Sections, Appendices and Exhibits of this Agreement unless the context shall otherwise require.
- 35.2 Unless the context shall otherwise require, any reference to a Tariff, agreement, technical or other document (including Verizon or third party guides, practices or handbooks), or provision of Applicable Law, is to such Tariff, agreement, document, or provision of Applicable Law, as amended and supplemented from time to time (and, in the case of a Tariff or provision of Applicable Law, to any successor Tariff or provision).



### **36. Relationship of the Parties**

- 36.1 The relationship of the Parties under this Agreement shall be that of independent contractors and nothing herein shall be construed as creating any other relationship between the Parties.
- 36.2 Nothing contained in this Agreement shall make either Party the employee of the other, create a partnership, joint venture, or other similar relationship between the Parties, or grant to either Party a franchise, distributorship or similar interest.
- 36.3 Except for provisions herein expressly authorizing a Party to act for another Party, nothing in this Agreement shall constitute a Party as a legal representative or Agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against, in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party in writing, which permission may be granted or withheld by the other Party in its sole discretion.
- 36.4 Each Party shall have sole authority and responsibility to hire, fire, compensate, supervise, and otherwise control its employees, Agents and contractors. Each Party shall be solely responsible for payment of any Social Security or other taxes that it is required by Applicable Law to pay in conjunction with its employees, Agents and contractors, and for withholding and remitting to the applicable taxing authorities any taxes that it is required by Applicable Law to collect from its employees.
- 36.5 Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.
- 36.6 The relationship of the Parties under this Agreement is a non-exclusive relationship.

### **37. Reservation of Rights**

- 37.1 Notwithstanding anything to the contrary in this Agreement, neither Party waives, and each Party hereby expressly reserves, its rights: (a) to appeal or otherwise seek the reversal of and changes in any arbitration decision associated with this Agreement and the provisions of this Agreement resulting from such arbitration; (b) to appeal or otherwise seek the reversal of and changes in any Commission order conditioning the approval of this Agreement on the Parties' acceptance of changes to terms that they had previously negotiated; (c) to challenge the lawfulness of this Agreement and any provision of this Agreement; (d) to seek changes in this Agreement (including, but not limited to, changes in rates, charges and the Services that must be offered) through changes in Applicable Law; and, (e) to challenge the lawfulness and propriety of, and to seek to change, any Applicable Law, including, but not limited to any rule, regulation, order or decision of the Commission, the FCC, or a court of applicable jurisdiction. Nothing in this Agreement shall be deemed to limit or prejudice any position a Party has taken or may take before the Commission, the FCC, any other state or federal regulatory or legislative bodies, courts of applicable jurisdiction, or industry fora. The provisions of this Section shall survive the expiration, cancellation or termination of this Agreement.

### **38. Subcontractors**

A Party may use a contractor of the Party (including, but not limited to, an Affiliate of the Party) to perform the Party's obligations under this Agreement; provided, that a Party's use of a contractor shall not release the Party from any duty or liability to fulfill the Party's obligations under this Agreement. Each Party shall be solely responsible for payments due its subcontractors.

**39. Successors and Assigns**

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

**40. Survival**

The rights, liabilities and obligations of a Party for acts or omissions occurring prior to the expiration, cancellation or termination of this Agreement, the rights, liabilities and obligations of a Party under any provision of this Agreement regarding confidential information (including but not limited to, Section 10), indemnification or defense (including, but not limited to, Section 20), or limitation or exclusion of liability (including, but not limited to, Section 25), and the rights, liabilities and obligations of a Party under any provision of this Agreement which by its terms or nature is intended to continue beyond or to be performed after the expiration, cancellation or termination of this Agreement, shall survive the expiration, cancellation or termination of this Agreement.

**41. Taxes**

41.1 In General. With respect to any purchase hereunder of Services, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law or a Tariff to be collected from the purchasing Party by the providing Party, then (a) the providing Party shall properly bill the purchasing Party for such Tax, (b) the purchasing Party shall timely remit such Tax to the providing Party and (c) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

41.2 Taxes Imposed on the Providing Party. With respect to any purchase hereunder of Services, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, and such Applicable Law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (a) shall provide the providing Party with notice in writing in accordance with Section 41.6 of this Agreement of its intent to pay the Receipts Tax and (b) shall timely pay the Receipts Tax to the applicable tax authority.

41.3 Taxes Imposed on Customers. With respect to any purchase hereunder of Services that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (a) shall be required to impose and/or collect such Tax from the Subscriber and (b) shall timely remit such Tax to the applicable taxing authority.

- 41.4 Liability for Uncollected Tax, Interest and Penalty. If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Section 41.1, then, as between the providing Party and the purchasing Party, (a) the purchasing Party shall remain liable for such uncollected Tax and (b) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Section 41.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Section 41.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by Section 41.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Section 41.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 41.5 Tax exemptions and Exemption Certificates. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Section 41.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Applicable Law which clearly allows such exemption and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax. If the providing Party collects such tax during the effective period of the exemption, after the purchasing Party has complied with the exemption

procedure set forth above, the providing Party will credit the purchasing Party for such tax.

- 41.6 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Section 41, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Section 29 as well as to the following:

To Verizon:

Tax Administration  
Verizon Communications  
1095 Avenue of the Americas  
Room 3109  
New York, NY 10036

To Covad:  
Finance Department  
3420 Central Expressway  
Santa Clara, CA 95051

Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Section. Any notice or other communication shall be deemed to be given when received.

## **42. Technology Upgrades**

Notwithstanding any other provision of this Agreement, Verizon shall have the right to deploy, upgrade, migrate and maintain its network at its discretion. The Parties acknowledge that Verizon, at its election, may deploy fiber throughout its network and that such fiber deployment may inhibit or facilitate Covad's ability to provide service using certain technologies, provided that Verizon may disconnect existing Covad customers who are served on all copper loops, only if doing so would not be a violation of Applicable Law. Nothing in this Agreement shall limit Verizon's ability to modify its network through the incorporation of new equipment or software or otherwise. Covad shall be solely responsible for the cost and activities associated with accommodating such changes in its own network.

## **43. Territory**

- 43.1 This Agreement applies to the territory in which Verizon operates as an Incumbent Local Exchange Carrier in the State of Florida. Verizon shall be obligated to provide Services under this Agreement only within this territory.
- 43.2 Notwithstanding any other provision of this Agreement, Verizon may terminate this Agreement as to a specific operating territory or portion thereof if Verizon sells or otherwise transfers its operations in such territory or portion thereof to a third-person. Verizon shall provide Covad with 150 calendar days prior written notice, if possible, but not less than 90 calendar days prior written notice, of such termination, which shall be effective upon the date specified in the notice.

**44. Third Party Beneficiaries**

Except as expressly set forth in this Agreement, this Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein shall create or be construed to provide any third-persons (including, but not limited to, Customers or contractors of a Party) with any rights (including, but not limited to, any third-party beneficiary rights) hereunder. Except as expressly set forth in this Agreement, a Party shall have no liability under this Agreement to the Customers of the other Party or to any other third person.

**45. [Intentionally Left Blank]**

**46. 252(i) Obligations**

- 46.1 To the extent required by Applicable Law, each Party shall comply with Section 252(i) of the Act and Appendix D, Sections 30 through 32, of the Merger Order ("Merger Order MFN Provisions").
- 46.2 If Covad wishes to exercise any rights it may have under Section 252(i), Covad shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with Section 252(i), the Parties shall amend this Agreement in writing to appropriately reflect the Interconnection, services, and Network Elements, that Covad has elected to adopt pursuant to Section 252(i).
- 46.3 If Covad wishes to exercise any rights it may have under the Merger Order MFN Provisions, Covad shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with the Merger Order MFN Provisions, the Parties shall amend this Agreement in writing to appropriately reflect the interconnection arrangements or unbundled Network Elements, that Covad has elected to adopt pursuant to the Merger Order MFN Provisions.
- 46.4 To the extent that the exercise by Covad of any rights it may have under Section 252(i) or the Merger Order MFN Provisions requires the rearrangement of Services by Verizon, Covad shall be solely liable for all costs associated therewith, as well as for any termination charges associated with the termination of existing Verizon Services.

**47. Use of Service**

Each Party shall make commercially reasonable efforts to ensure that its Customers comply with the provisions of this Agreement (including, but not limited to the provisions of applicable Tariffs) applicable to the use of Services purchased by it under this Agreement.

**48. Waiver**

A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option which is provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or options.

The Parties agree that Covad may seek in the future to negotiate and potentially arbitrate (pursuant to 47 U.S.C. §§ 251 and 252) rates, terms, and conditions regarding unbundled switching and interconnection of their networks for the purpose of exchanging voice traffic. Such negotiated and/or arbitrated interconnection and switching provisions would

be added to this Principal Document as an amendment.

**49. Warranties**

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NEITHER PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES PROVIDED, OR TO BE PROVIDED, UNDER THIS AGREEMENT AND THE PARTIES DISCLAIM ANY OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, **WARRANTIES OF MERCHANTABILITY, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE** WARRANTIES AGAINST INFRINGEMENT, AND WARRANTIES ARISING BY TRADE CUSTOM, TRADE USAGE, COURSE OF DEALING OR PERFORMANCE, OR OTHERWISE.

**50. Withdrawal of Services**

Notwithstanding anything contained in this Agreement, except as otherwise required by Applicable Law, Verizon may with thirty (30) days prior written notice to Covad terminate any provision of this Agreement that provides for the payment by Verizon to Covad of compensation related to traffic, including, but not limited to, Reciprocal Compensation and other types of compensation for termination of traffic delivered by Verizon to Covad. Following such termination, except as otherwise agreed in writing by the Parties, Verizon shall be obligated to provide compensation to Covad related to traffic only to the extent required by Applicable Law. If Verizon exercises its right of termination under this Section, the Parties shall negotiate in good faith appropriate substitute provisions for compensation related to traffic; provided, however, that except as otherwise voluntarily agreed by Verizon in writing in its sole discretion, Verizon shall be obligated to provide compensation to Covad related to traffic only to the extent required by Applicable Law. If within thirty (30) days after Verizon's notice of termination the Parties are unable to agree in writing upon mutually acceptable substitute provisions for compensation related to traffic, either Party may submit their disagreement to dispute resolution in accordance with Section 14 of this Agreement.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

DIECA Communications  
d/b/a Covad Communications

Verizon Florida Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: Jeffrey A. Masoner \_\_\_\_\_

Title: \_\_\_\_\_

Title: Vice President Interconnection  
Services Policy and Planning

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## GLOSSARY

### 1. General Rule

- 1.1 The provisions of Sections 1.1 through 1.4 apply with regard to the Principal Document. Terms used in a Tariff shall have the meanings stated in the Tariff.
- 1.2 Unless the context clearly indicates otherwise, when used in the Principal Document the terms listed in this Glossary shall have the meanings stated in this Glossary. A defined term intended to convey the meaning stated in this Glossary is capitalized when used. Other terms that are capitalized, and not defined in this Glossary or elsewhere in the Principal Document, shall have the meaning stated in the Act. Additional definitions that are specific to the matters covered in a particular provision of the Principal Document may appear in that provision. To the extent that there may be any conflict between a definition set forth on this Glossary and any definition in a specific provision, the definition set forth in the specific provision shall control with respect to that provision.
- 1.3 Unless the context clearly indicates otherwise, any term defined in this Glossary which is defined or used in the singular shall include the plural, and any term defined in this Glossary which is defined or used in the plural shall include the singular.
- 1.4 The words "shall" and "will" are used interchangeably throughout the Principal Document and the use of either indicates a mandatory requirement. The use of one or the other shall not confer a different degree of right or obligation for either Party.

### 2. Definitions

- 2.1 **Accessible Terminal**  
  
Shall have the meaning as set forth in Applicable Law.
- 2.2 **Act.**  
  
The Communications Act of 1934 (47 U.S.C. §151 et. Seq.), as from time to time amended (including, without limitation by the Telecommunications Act of 1996, Public Law 104-104 of the 104<sup>th</sup> United States Congress effective February 8, 1996), and as further interpreted in the duly authorized and effective rules and regulations of the FCC or the Commission.
- 2.3 **ADSL (Asymmetrical Digital Subscriber Line).**  
  
A transmission technology on twisted pair copper Loop plant, which transmits an asymmetrical digital signal of up to 8 Mbps to the Customer and up to 1mbps from the Customer, as specified in ANSI standards T1.413-1998 and Bell Atlantic Technical Reference TR-72575.
- 2.4 **Affiliate.**  
  
Shall have the meaning set forth in the Act.
- 2.5 **Agent.**



An agent or servant.

2.6 Agreement.

This Agreement, as defined in Section 1 of the General Terms and Conditions.

2.7 Automated Message Accounting (AMA).

The structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Telcordia Technologies as GR-1100-CORE that defines the industry standard for message recording.

2.8 Ancillary Traffic.

All traffic that is destined for ancillary services, or that may have special billing requirements, including but not limited to the following: Directory Assistance, 911/E911, Operator Services (IntraLATA call completion), IntraLATA third party, collect and calling card, 800/888 database query, LIDB, and information services requiring special billing.

2.9 ANI (Automatic Number Identification).

The signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling Party.

2.10 Answer Supervision.

An off-hook supervisory signal.

2.11 Applicable Law.

All effective federal and state laws, government regulations and orders (including orders related to merger commitments), applicable to each Party's performance of its obligations under this agreement.

2.12 ASR (Access Service Request).

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.

2.13 Intentionally left blank

2.14 Basic Local Exchange Service.

Voice grade access to the network that provides: the ability to place and receive calls; touch-tone service, access to operator services; access to directory assistance; access to emergency services (E911); access to telephone relay service (TRS); access to Interexchange Carriers of the Customer's choice; standard white pages directory listing; and toll blocking for low-income consumers participating in Lifeline (subject to technical feasibility).

2.15 BFR (Bona Fide Request)

The process described in the UNE Attachment that prescribes the terms and conditions relating to a Party's request that the other Party provides a UNE that it is not otherwise required to provide under the terms of this Agreement.

2.16 Business Day.

Monday through Friday, except for holidays on which the U.S. mail is not delivered.

2.17 Calendar Quarter.

January through March, April through June, July through September, or October through December.

2.18 Calendar Year.

January through December.

2.19 CCS (Common Channel Signaling).

A method of transmitting call set-up and network control data over a digital signaling network separate from the public switched telephone network facilities that carry the actual voice or data content of the call.

2.20 Central Office.

A local switching system for connecting lines to lines, lines to trunks, or trunks to trunks for the purpose of originating/terminating calls over the public switched telephone network. A single Central Office may handle several Central Office codes ("NXX"). Sometimes this term is used to refer to a telephone company building in which switching systems and telephone equipment are installed.

2.21 Central Office Switch.

A switch used to provide Telecommunications Services, including, but not limited to, an End Office Switch or a Tandem Switch. A Central Office Switch may also be employed as combination End Office/Tandem Office Switch.

2.22 Claims.

Any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including, but not limited to, court costs), and expenses (including, but not limited to, reasonable attorney's fees).

2.23 CLEC (Competitive Local Exchange Carrier).

Any corporation or other person legally able to provide Local Exchange Service in competition with an ILEC.

2.24 CLLI Codes.

Common Language Location Identifier Codes.

2.25 Centralized Message Distribution System (CMDS).

The billing record and clearing house transport system that ILECs use to efficiently exchange out collects and in collects as well as Carrier Access Billing System (CABS) records.

2.26 Commission.

Florida Public Service Commission

2.27 Conversation Time.

The time that both Parties' equipment is used for a completed call measured from the receipt of Answer Supervision to the receipt of Disconnect Supervision.

2.28 (CPN) Calling Party Number.

A CCS parameter that identifies the calling party's telephone number.

2.29 CPNI (Customer Proprietary Network Information).

Shall have the meaning set forth in Section 222 of the Act, 47 U.S.C. § 222.

2.30 Cross Connection.

A jumper cable or similar connection, provided in connection with a Collocation arrangement at the digital signal cross connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the housing Party.

2.31 Customer.

A third party residence or business end-user subscriber to Telephone Exchange Services provided by either of the Parties.

2.32 [Intentionally left blank]

2.33 Digital Signal Level.

One of several transmission rates in the time-division multiplex hierarchy.

2.34 Digital Signal Level 0 (DS0).

The 64kbps zero-level signal in the time-division multiplex hierarchy.

2.35 Digital Signal Level 1 (DS1).

The 1.544 Mbps first-level signal in the time-division multiplex hierarchy.

2.36 Digital Signal Level 1 (DS3).

The 44.736 Mbps third-level signal in the time-division multiplex hierarchy.

2.37 Effective Date.

Shall have the meaning set forth in the Preface of this Agreement.

2.38 EMI (Exchange Message Interface).

Standard used for the interexchange of telecommunications message information between exchange carriers and interexchange carriers for billable, non-billable, sample, settlement and study data. Data is provided between companies via a unique record layout that contains Customer billing information, account summary and tracking analysis. EMI format is contained in document SR-320 published by the Alliance for Telecom Industry Solutions.

2.39 End Office Switch or End Office.

A switching entity that is used to terminate Customer station Loops for the purpose of interconnection to each other and to trunks.

2.40 Entrance Facility.

The facility between one Party's designated premises and the Central Office serving that designated premises.

2.41 Exchange Access.

Shall have the meaning set forth in the Act.

2.42 Extended Local Calling Scope Arrangement.

An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.

2.43 FCC.

The Federal Communications Commission.

2.44 FCC Internet Order.

Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).

2.45 FCC Regulations.

The regulations duly and lawfully promulgated by the FCC that are currently effective.

2.46 HDSL (High-Bit Rate Digital Subscriber Line).

A transmission technology that transmits up to a DS1 level signal, using any one of the following line codes: 2 Binary/1 Quaternary (2B1Q), Carrierless AM/PM, Discrete Multitone (DMT) or 3 Binary/1 Octal (3BO).

- 2.47 IDLC (Integrated Digital Loop Carrier).  
A subscriber Loop carrier system which integrates within the switch at a DS1 level that is twenty-four (24) Loop transmission paths combined into a 1.544 Mbps digital signal.
- 2.48 ILEC (Incumbent Local Exchange Carrier).  
Shall have the meaning stated in the Act.
- 2.49 Inside Wire or Inside Wiring.  
All wire, cable, terminals, hardware, and other equipment or materials on the Customer's side of the Rate Demarcation Point.
- 2.50 Internet Traffic.  
Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.
- 2.51 InterLATA Service.  
Shall have the meaning set forth in the Act.
- 2.52 IntraLATA.  
Telecommunications services that originate and terminate at a point within the same LATA.
- 2.53 IP (Interconnection Point).  
For Reciprocal Compensation Traffic, the point at which a Party who receives Reciprocal Compensation Traffic, from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic.
- 2.54 ISDN (Integrated Services Digital Network).  
A switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two (2) 64 kbps bearer channels and one (1) 16 kbps data and signaling channel (2B+D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 kbps bearer channels and one (1) 64 kbps data and signaling channel (23B+D).
- 2.55 ISDN User Part (ISUP).  
A part of the SS7 protocol that defines call setup messages and call takedown messages.
- 2.56 IXC (Interexchange Carrier).  
A Telecommunications Carrier that provides, directly or indirectly, InterLATA or intraLATA Telephone Toll Services.

- 2.57 LATA (Local Access and Transport Area).  
Shall have the meaning set forth in the Act.
- 2.58 LEC (Local Exchange Carrier).  
Shall have the meaning set forth in the Act.
- 2.59 LERG (Local Exchange Routing Guide).  
The Telcordia Technologies reference customarily used to identify NPA/NXX routing and homing information, as well as network element and equipment designation.
- 2.60 LIDB (Line Information Data Base).  
One or all, as the context may require, of the Line Information databases owned individually by Verizon and other entities which provide, among other things, calling card validation functionality for telephone line number cards issued by Verizon and other entities. A LIDB also contains validation data for collect and third number-billed calls; i.e., Billed Number Screening.
- 2.61 Line Side.  
An End Office Switch connection that provides transmission, switching and optional features suitable for Customer connection to the public switched network, including loop start supervision, ground start supervision and signaling for BRI-ISDN service.
- 2.62 Loop.  
A transmission path that extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in a Verizon End Office that serves the Customer, to the Rate Demarcation Point (or NID if installed at the Rate Demarcation Point) in or at the Customer's premises. The actual transmission facilities used to provide a Loop may utilize any of several technologies.
- 2.63 LSR (Local Service Request).  
The industry standard form, which contains data elements and usage rules, used by the Parties to establish, add, change or disconnect resold services and Unbundled Network Elements for the purposes of competitive local services.
- 2.64 MDF (Main Distribution Frame).  
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.
- 2.65 Measured Internet Traffic.  
Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other

Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined by Verizon's. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.

2.66 MECAB (Multiple Exchange Carrier Access Billing).

Document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Telcordia Technologies as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an Exchange Access Service provided by two or more LECs, or by one LEC in two or more states within a single LATA.

2.67 MECOD (Multiple Exchange Carriers Ordering and Design Guidelines for Access Services – Industry Support Interface).

A document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by [BellCore] Telcordia Technologies as Special Report SR-ST-002643, establishes methods for processing orders for Exchange Access Service that is to be provided by two or more LECs.

2.68 Merger Order

The FCC's ORDER "In re Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer of Control of Domestic and International Section 214 and 310 Authorizations and Application to Transfer of a Submarine Cable Landing License", Memorandum Opinion and Order, FCC CC Docket No. 98-184, FCC 00-221 (June 16, 2000), as modified from time to time.

2.69 NANP (North American Numbering Plan).

The system of telephone numbering employed in the United States, Canada, Bermuda, Puerto Rico and certain Caribbean islands. The NANP format is a 10-digit number that consist of a 3-digit NPA Code (commonly referred to as area code), followed by a 3-digit NXX code and 4-digit line number.

2.70 Network Element.

Shall have the meaning stated in the Act.

2.71 NID (Network Interface Device).

Any means of interconnection of end-user customer premises wiring to Verizon's distribution plant, such as a cross connect device used for that purpose. The NID contains a FCC Part 68 registered jack from which inside wire may be connected to Verizon's network.

2.72 NPA (Numbering Plan Area).

Also sometimes referred to as an area code, is the first three-digit indicator of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized Telecommunications Service that may be provided across multiple geographic NPA areas. 500, 700, 800, 888 and 900 are examples of Non-Geographic NPAs.

2.73 NXX, NXX Code, Central Office Code or CO Code.

The three-digit switch entity indicator (i.e. the first three digits of a seven-digit telephone number). Each NXX Code contains 10,000 station numbers.

2.74 Order.

An order or application to provide, change or terminate a Service (including, but not limited to, a commitment to purchase a stated number or minimum number of lines or other Services for a stated period or minimum period of time).

2.75 POI (Point of Interconnection).

The physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging traffic.

2.76 Port.

A line card (or equivalent) and associated peripheral equipment on an End Office Switch that interconnects individual Loops or individual Customer trunks with the switching components of an End Office Switch and the associated switching functionality in that End Office Switch. Each Port is typically associated with one (or more) telephone number(s) that serves as the Customer's network address. The Port is part of the provision of unbundled local Switching Element.

2.77 Principal Document.

This document, including, but not limited to, the Title Page, the Table of Contents, the Preface, the General Terms and Conditions, the signature page, this Glossary, the Attachments, and the Appendices to the Attachments.

2.78 Providing Party.

A Party offering or providing a Service to the other Party under this Agreement.

2.79 Purchasing Party.



A Party requesting or receiving a Service from the other Party under this Agreement.

2.80 Rate Center Area or Exchange Area.

The geographic area that has been identified by a given LEC as being associated with a particular NPA-NXX code assigned to the LEC for its provision of Telephone Exchange Services. The Rate Center Area is the exclusive geographic area that the LEC has identified as the area within which it will provide Telephone Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center Area.

2.81 Rate Center Point.

A specific geographic point, defined by a V&H coordinate, located within the Rate Center Area and used to measure distance for the purpose of billing customers for distance-sensitive Telephone Exchange Services and Toll Traffic.

2.82 Rate Demarcation Point.

The physical point in a Verizon provided network facility at which Verizon's responsibility for maintaining that network facility ends and the Customer's responsibility for maintaining the remainder of the facility begins, as set forth in Verizon's applicable Tariffs, if any, or as otherwise prescribed under Applicable Law.

2.83 Reciprocal Compensation.

The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network.

2.84 Reciprocal Compensation Traffic.

Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined by Verizon (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Scope Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional extended Local Calling Scope Arrangement.

2.85 Retail Prices.

The prices at which a Service is provided by Verizon at retail to subscribers who are not Telecommunications Carriers.

2.86 Routing Point.

A specific geographic point identified by a specific V&H coordinate. The Routing Point is used to route inbound traffic to specified NAP-NXXs and the Rate Center Point is used to calculate mileage measurements for distance-sensitive transport charges of switched access services. Pursuant to Telecordia Practice BR-795-100-100, the Rate Center Point may be an End Office location, or a "LEC Consortium Point Of Interconnection." The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, the Routing Point associated with each NPA-NXX need not be the same as the corresponding Rate Center Point, nor must it be located within the corresponding Rate Center Area, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center Area.

2.87 SCP (Service Control Point).

The node in the Common Channel Signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from a SSP and via a Signaling Transfer Point, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

2.88 Service.

Any Interconnection arrangement, Network Element, Telecommunications Service, Collocation arrangement, or other service, facility or arrangement, offered for sale by a Party under this Agreement. In agreeing to this definition, Covad does not waive any of its rights to lease and use Verizon's Network Elements on an unbundled basis consistent with Applicable Law.

2.89 (SONET) Synchronous Optical Network.

Synchronous electrical (STS) or optical channel (OC) connections between LECs.

2.90 SP (Signaling Point).

A node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.

2.91 SSP (Service Switching Point).

A Signaling Point that can launch queries to databases and receive/interpret responses used to provide specific Customer services.

2.92 SS7 (Signaling System 7).

The common channel out-of-band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph (CCITT) and the American National Standards Institute (ANSI). Verizon and Covad currently utilize this out-of-band signaling protocol.

2.93 STP (Signal Transfer Point).

A packet switch in the CCS network that is used to route signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services. Verizon's network includes mated pairs of local and regional STPs. STPs are provided in pairs for redundancy. Verizon STPs conform to ANSI T1.111-8 standards. It provides SS7 Network Access and performs SS7 message routing and screening.

2.94 Sub Loop

A Network Element as defined by FCC Regulations, and the Orders of the FCC.

2.95 Subsidiary.

A corporation or other legal entity that is owned or controlled by a Party. "Owned" has the meaning used in the definition of Affiliate under the Act.

2.96 Switched Access Detail Usage Date.

A category 1101XX record as defined in the EMI Bellicore Practice BR-010-200-010.

2.97 Switched Access Summary Usage Date.

A category 1150XX record as defined in the EMI Bellicore Practice BR-010-200-010.

2.98 Switched Exchange Access Service.

The offering of transmission and switching services for the purpose of the origination or termination of Toll Traffic. Switched Exchange Access Services include but may not be limited to: Feature Group A, Feature Group B, Feature Group D, 700 access, 800 access, 888 access and 900 access.

2.99 Tandem Switches.

A switching entity that has billing and recording capabilities and is used to connect and switch trunk circuits between and among End Office Switches and between and among End Office Switches and carriers' aggregation points, points of termination, or point of presence, and to provide Switched Exchange Access Services.

2.100 Tariff.

2.100.1 Any applicable Federal or state tariff of a Party, as amended from time-to-time; and

2.100.2 Any standard agreement or other document, as amended from time-to-time, that sets forth the generally available terms, conditions and prices

under which a Party offers a Service.

The term "Tariff" does not include any Verizon statement of generally available terms (SGAT) which has been approved or is pending approval by the Commission pursuant to Section 252(f) of the Act.

2.101 Telcordia Technologies.

The corporation formerly known as Bell Communications Research, a wholly owned subsidiary of Science Applications International Corporation (SAIC) and any successor entity performing this entity's functions of providing generic requirements for the telecommunications industry for products, services and technologies.

2.102 Telecommunications Carrier.

Shall have the meaning set forth in the Act.

2.103 Telecommunications Services.

Shall have the meaning set forth in the Act.

2.104 Telephone Exchange Service.

Shall have the meaning set forth in the Act.

2.105 Third Party Claim.

A Claim where there is (a) a claim, demand, suit or action by a person who is not a Party, (b) a settlement with, judgment by, or liability to, a person who is not a Party, or (c) a fine or penalty imposed by a person who is not a Party.

2.106 Toll Traffic.

Traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network and is not Reciprocal Compensation Traffic, Measured Internet Traffic, or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic," depending on whether the originating and terminating points are within the same LATA.

2.107 Toxic or Hazardous Substance.

Toxic or Hazardous Substance means any substance designated or defined as toxic or hazardous under any "Environmental Law" or that pose a risk to human health or safety, or the environment, and products and materials containing such substance. "Environmental Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act, the Emergency Planning and Community Right-to-Know Act, the Water Pollution Control Act, the Air Pollution Control Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, and all other Federal, State or local laws or governmental regulations or requirements, that are similar to the above-referenced laws or that otherwise govern releases, chemicals, products, materials or wastes that may pose risks to human health or safety, or the environment, or that relate to the protection of wetlands or other natural

resources.

2.108 Traffic Factor 1.

For traffic exchange via Interconnection trunk is, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic.  $(\{ \text{Interstate Traffic Total Minutes of Use (excluding Measured Internet Traffic Total Minutes of Use)} \div \{ \text{Interstate Traffic Total Minutes of Use} + \text{Intrastate Traffic Total Minutes of Use} \} \times 100)$ . Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."

2.109 Traffic Factor 2.

For Traffic exchange via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic.  $(\{ \{ \text{Reciprocal Compensation Traffic Total Minutes of Use} + \text{Measured Internet Traffic Total Minutes of Use} \} \div \text{Intrastate Traffic Total Minutes of Use} \} \times 100)$ . Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."

2.110 Trunk Side.

A Central Office Switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, to another carrier's network. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.

2.111 Universal Digital Loop Carrier (UDLC).

A form of Digital Loop carrier system consisting of a Central Office terminal and a remote terminal located in the outside plant or customer premises. The Central Office and the remote terminal units perform analog to digital conversions to allow the feeding facility to be digital. UDLC is deployed where the types of services to be provisioned by the systems cannot be integrated such as non-switched services and unbundled loops.

2.112 Unbundled Network Element (UNE).

A Network Element that Verizon is obligated to provide to CLECs on an unbundled basis pursuant to Applicable Law.

2.113 V and H Coordinates Method.

A method of computing airline miles between two points by utilizing an established formula that is based on the vertical and horizontal coordinates of the two points.

2.114 Voice Grade.

Either an analog signal of 300 to 3000 Hz or a digital signal of 56/64 kilobits per second. When referring to digital Voice Grade service (a 56-64 kbps channel), the terms "DS0" or "sub-DS1" may also be used.

2.115 Wire Center.

A building or portion thereof which serves as a Routing Point for Switched Exchange Access Service. The Wire Center serves as the premises for one or more Central Offices.

## ADDITIONAL SERVICES ATTACHMENT

### 1. Alternate Billed Calls

- 1.1 The Parties will engage in settlements of intraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in accordance with an arrangement mutually agreed to by the Parties.

### 2. Dialing Parity – Section 251(b)(3)

Each Party shall provide the other Party with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement local Dialing Parity in accordance with the requirements of Section 251(b)(3) of the Act.

### 3. Directory Assistance (DA) and Operator Services

- 3.1 Either Party may request that the other Party provide the requesting Party with nondiscriminatory access to the other Party's directory assistance services (DA), IntraLATA operator call completion services (OS), and/or directory assistance listings database. If either Party makes such a request, the Parties shall enter into a mutually acceptable written agreement for such access.
- 3.2 Covad shall arrange, at its own expense, the trunking and other facilities required to transport traffic to and from the designated DA and OS switch locations.

### 4. Directory Listing and Directory Distribution

To the extent required by Applicable Law, Verizon will provide directory services to Covad. Such services will be provided in accordance with the terms set forth herein.

#### 4.1 Listing Information.

As used herein, "Listing Information" means a Covad Customer's primary name, address (including city, state and zip code), telephone number(s), the delivery address and number of directories to be delivered, and, in the case of a business Customer, the primary business heading under which the business Customer desires to be placed, and any other information Verizon deems necessary for the publication and delivery of directories.

#### 4.2 Listing Information Supply.

Covad shall provide to Verizon on a regularly scheduled basis, at no charge, and in a format required by Verizon or by a mutually agreed upon industry standard (e.g., Ordering and Billing Forum developed), all Listing Information and the service address for each Covad Customer whose service address location falls within the geographic area covered by the relevant Verizon directory. Covad shall also provide to Verizon on a daily basis, (a) information showing Covad Customers who have disconnected or terminated their service with Covad; and (b) delivery information for each non-listed or non-published Covad Customer to enable Verizon to perform its directory distribution responsibilities. Verizon shall promptly provide to Covad, (normally within forty-eight (48) hours of receipt by Verizon, excluding non-Business Days), a query on any listing that is not acceptable.

4.3 Listing Inclusion and Distribution.

Verizon shall include each Covad Customer's Primary Listing in the appropriate alphabetical directory and, for business Customers, in the appropriate classified (Yellow Pages) directory in accordance with the directory configuration, scope and schedules determined by Verizon in its sole discretion, and shall provide initial distribution of such directories to such Covad Customers in the same manner it provides initial distribution of such directories to its own Customers. "Primary Listing" means a Customer's primary name, address, and telephone number. Listings of Covad's Customers shall be interfiled with listings of Verizon's Customers and the Customers of other LECs included in the Verizon directories. Covad shall pay Verizon's tariffed charges for additional and foreign alphabetical listings and other alphabetical services (e.g. caption arrangements) for Covad's Customers.

4.4 Verizon Information.

Upon request by Covad, Verizon shall make available to Covad the following information to the extent that Verizon provides such information to its own business offices: a directory list of relevant NXX codes, directory and "Customer Guide" close dates, publishing data, and Yellow Pages headings. Verizon also will make available to Covad, upon written request, a copy of Verizon's alphabetical listings standards and specifications manual.

4.5 Confidentiality of Listing Information.

Verizon shall accord Covad Listing Information the same level of confidentiality that Verizon accords its own listing information, and shall use such Listing Information solely for the purpose of providing directory-related services; provided, however, that should Verizon elect to do so, it may use or license Covad Listing Information for directory publishing, direct marketing, or any other purpose for which Verizon uses or licenses its own listing information, so long as Covad Customers are not separately identified as such; and provided further that Covad may identify those of its Customers who request that their names not be sold for direct marketing purposes, and Verizon shall honor such requests to the same extent it does so for its own Customers. Verizon shall not be obligated to compensate Covad for Verizon's use or licensing of Covad Listing Information.

4.6 Accuracy.

Both Parties shall use commercially reasonable efforts to ensure the accurate publication of Covad Customer listings. At Covad's request, Verizon shall provide Covad with a report of all Covad Customer listings normally no more than ninety (90) days and no less than thirty (30) days prior to the service order close date for the applicable directory. Verizon shall process any corrections made by Covad with respect to its listings, provided such corrections are received prior to the close date of the particular directory.

4.7 Indemnification.

Covad shall adhere to all practices, standards, and ethical requirements established by Verizon with regard to listings. By providing Verizon with Listing Information, Covad warrants to Verizon that Covad has the right to provide such Listing Information to Verizon on behalf of its Customers. Covad shall make commercially reasonable efforts to ensure that any business or person to be



listed is authorized and has the right (a) to provide the product or service offered, and (b) to use any personal or corporate name, trade name, trademark, service mark or language used in the listing. Covad agrees to release, defend, hold harmless and indemnify Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever, suffered, made, instituted, or asserted by any person arising out of Verizon's publication or dissemination of the Listing Information as provided by Covad hereunder.

#### 4.8 Liability.

Verizon's liability to Covad in the event of a Verizon error in or omission of a listing shall not exceed the lesser of the amount of charges actually paid by Covad for such listing or the amount by which Verizon would be liable to its own customer for such error or omission. Covad agrees to take all reasonable steps, including, but not limited to, entering into appropriate contractual provisions with its Customers, to ensure that its and Verizon's liability to Covad's Customers in the event of a Verizon error in or omission of a listing shall be subject to the same limitations of liability applicable between Verizon and its own Customers.

#### 4.9 Service Information Pages.

Verizon shall include all Covad NXX codes associated with the geographic areas to which each directory pertains, to the extent it does so for Verizon's own NXX codes, in any lists of such codes that are contained in the general reference portion of each directory. Covad's NXX codes shall appear in such lists in the same manner as Verizon's NXX information. In addition, when Covad is authorized to, and is offering, local service to Customers located within the geographic area covered by a specific directory, at Covad's request, Verizon shall include, at no charge, in the "Customer Guide" or comparable section of the applicable alphabetical directories, Covad's critical contact information for Covad's installation, repair and Customer service, as provided by Covad, and such other essential local service oriented information as is agreed to in writing by the Parties. Such critical contact information shall appear alphabetically by local exchange carrier and in accordance with Verizon's generally applicable policies. Covad shall be responsible for providing the necessary information to Verizon by the applicable close date for each affected directory.

#### 4.10 Directory Publication.

Nothing in this Agreement shall require Verizon to publish a directory where it would not otherwise do so.

#### 4.11 Other Directory Services.

Covad acknowledges that if Covad desires directory services in addition to those described herein, such additional services must be obtained under separate agreement with Verizon's directory publishing company.

### 5. **Information Services Traffic**

- 5.1 For purposes of this Section 5, Voice Information Services and Voice Information Services Traffic refer to switched voice traffic, delivered to information service providers who offer recorded voice announcement information or open vocal discussion programs to the general public. Voice Information Services Traffic does not include any form of Internet Traffic. Voice Information Services Traffic

also does not include 555 traffic or similar traffic with AIN service interfaces, which traffic shall be subject to separate arrangements between the Parties. Voice Information services Traffic is not subject to Reciprocal Compensation charges.

- 5.2 If a Covad Customer is served by resold Verizon Telecommunications Service or a Verizon Local Switching UNE, subject to any call blocking feature used by Covad, to the extent reasonably feasible, Verizon will route Voice Information Services Traffic originating from such Service or UNE to the Voice Information Service platform. For such Voice Information Services Traffic, unless Covad has entered into an arrangement with Verizon to bill and collect Voice Information Services provider charges from Covad's Customers, Covad shall pay to Verizon without discount the Voice Information Services provider charges. Covad shall pay Verizon such charges in full regardless of whether or not it collects such charges from its own Customers.
- 5.3 Covad shall have the option to route Voice Information Services Traffic that originates on its own network to the appropriate Voice Information Services platform(s) connected to Verizon's network. In the event Covad exercises such option, Covad will establish, at its own expense, a dedicated trunk group to the Verizon Voice Information Service serving switch. This trunk group will be utilized to allow Covad to route Voice Information Services Traffic originated on its network to Verizon. For such Voice Information Services Traffic, unless Covad has entered into an arrangement with Verizon to bill and collect Voice Information Services provider charges from Covad's Customers, Covad shall pay to Verizon without discount the Voice Information Services provider charges. Covad shall pay Verizon such charges in full regardless of whether or not it collects such charges from its own Customers.
- 5.4 [Intentionally left blank]
- 5.5 For variable rated Voice Information Services Traffic (e.g., NXX 550, 540, 976, 970, 940, as applicable) from Covad Customers served by resold Verizon Telecommunications Services or a Verizon Local Switching Network Element, Covad shall either (a) pay to Verizon without discount the Voice Information Services provider charges, or (b) enter into an arrangement with Verizon to bill and collect Voice Information Services provider charges from Covad's Customers.
- 5.6 Either Party may request the other Party provide the requesting Party with non discriminatory access to the other party's information services platform, where such platform exists. If either Party makes such a request, the Parties shall enter into a mutually acceptable written agreement for such access.
- 5.7 In the event Covad exercises such option, Covad will establish, at its own expense, a dedicated trunk group to the Verizon Information Service serving switch. This trunk group will be utilized to allow Covad to route information services traffic originated on its network to Verizon.

## **6. Intercept and Referral Announcements**

- 6.1 When a Customer changes its service provider from Verizon to Covad, or from Covad to Verizon, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides the Customer's new number or other appropriate information, to

the extent known to the Party formerly providing service. Notwithstanding the foregoing, a Party shall not be obligated under this Section to provide a Referral Announcement if the Customer owes the Party unpaid overdue amounts or the Customer requests that no Referral Announcement be provided.

- 6.2 Referral Announcements shall be provided, in the case of business Customers, for a period of not less than one hundred and twenty (120) days after the date the Customer changes its telephone number, and, in the case of residential Customers, not less than thirty (30) days after the date the Customer changes its telephone number; provided that if a longer time period is required by Applicable Law, such longer time period shall apply. Except as otherwise provided by Applicable Law, the period for a referral may be shortened by the Party formerly providing service if a number shortage condition requires reassignment of the telephone number.
- 6.3 This referral announcement will be provided by each Party at no charge to the other Party; provided that the Party formerly providing service may bill the Customer its standard Tariff charge, if any, for the referral announcement.

## 7. **Originating Line Number Screening (OLNS)**

Upon request, Verizon will update its database used to provide originating line number screening (the database of information which indicates to an operator the acceptable billing methods for calls originating from the calling number (e.g., penal institutions, COCOTS).

## 8. **Operations Support Systems (OSS)**

### 8.1 Definitions.

- 8.1.1 Verizon Operations Support Systems: Verizon systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing. The pre-ordering function includes providing Covad nondiscriminatory access to the same detailed information about the loop that is available to Verizon and its affiliates.
- 8.1.2 Verizon OSS Services: Access to Verizon Operations Support Systems functions. The term "Verizon OSS Services" includes, but is not limited to: (a) Verizon's provision of Covad Usage Information to Covad pursuant to Section 8.3 below; and, (b) "Verizon OSS Information", as defined in Section 8.1.4 below.
- 8.1.3 Verizon OSS Facilities: Any gateways, interfaces, databases, facilities, equipment, software, or systems, used by Verizon to provide Verizon OSS Services to Covad.
- 8.1.4 Verizon OSS Information: Any information accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services, including all information set forth in the definition "Pre-ordering and ordering" in 47 CFR 51.5, to the extent that the rule remains Applicable Law. The term "Verizon OSS Information" includes, but is not limited to: (a) any Customer Information related to a Verizon Customer or a Covad Customer accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services; and, (b) any Covad Usage Information (as defined in Section 8.1.6 below) accessed by, or

disclosed or provided to Covad.

8.1.5 Verizon Retail Telecommunications Service: Any Telecommunications Service that Verizon provides at retail to subscribers that are not Telecommunications Carriers. The term "Verizon Retail Telecommunications Service" does not include any Exchange Access service (as defined in Section 3(16) of the Act, 47 U.S.C. § 153(16)) provided by Verizon.

8.1.6 Covad Usage Information: For a Verizon Retail Telecommunications Service purchased by Covad pursuant to the Resale Attachment, the usage information that Verizon would record if Verizon was furnishing such Verizon Retail Telecommunications Service to a Verizon end-user retail Customer. For a Verizon Local Switching Network Element purchased by Covad pursuant to the Network Element Attachment, the usage information that Verizon would record if Verizon was using such Local Switching Network Element to furnish a Verizon Retail Telecommunications Service to a Verizon end-user retail Customer.

8.1.7 Customer Information: CPNI of a Customer, as defined by Applicable Law, and any other non-public, individually identifiable information about a Customer or the purchase by a Customer of the services or products of a Party.

## 8.2 Verizon OSS Services.

8.2.1 Upon request by Covad, Verizon shall provide to Covad, pursuant to Section 251(c)(3) of the Act, 47 U.S.C. § 251(c)(3), Verizon OSS Services.

8.2.2 Subject to the requirements of Applicable Law, Verizon Operations Support Systems, Verizon Operations Support Systems functions, Verizon OSS Facilities, Verizon OSS Information, and the Verizon OSS Services that will be offered by Verizon, shall be as determined by Verizon. Subject to the requirements of Applicable Law, Verizon shall have the right to change Verizon Operations Support Systems, Verizon Operations Support Systems functions, Verizon OSS Facilities, Verizon OSS Information, and the Verizon OSS Services, from time-to-time, without the consent of Covad. Any changes will be conducted in accordance with the Verizon region-wide Change Management process. The Change Management process will, at a minimum, set forth detailed procedures for introduction of any changes to Verizon's Operations Support Systems and will provide for commercially reasonable notice to Covad of said changes.

## 8.3 Covad Usage Information.

8.3.1 Upon request by Covad, Verizon shall provide to Covad, pursuant to Section 251(c)(3) of the Act, 47 U.S.C. § 251(c)(3), Covad Usage Information.

8.3.2 Covad Usage Information will be available to Covad through the following:

- 8.3.2.1 Daily Usage File on Data Tape.
- 8.3.2.2 Daily Usage File through Network Data Mover (NDM).
- 8.3.2.3 [Intentionally Left Blank]
- 8.3.2.4 Covad Usage Information will be provided in a Bellcore Exchange Message Records (EMI) format.
- 8.3.2.5 Daily Usage File Data Tapes provided pursuant to Section 8.3.2.1 above will be issued each day, Monday through Friday, except holidays observed by Verizon.

8.3.3 Except as stated in this Section 8.3, subject to the requirements of Applicable Law, the manner in which, and the frequency with which, Covad Usage Information will be provided to Covad shall be determined by Verizon.

#### 8.4 Access to and Use of Verizon OSS Facilities.

- 8.4.1 Verizon OSS Facilities may be accessed and used by Covad only to the extent necessary for Covad's access to and use of Verizon OSS Services pursuant to the Agreement.
- 8.4.2 Covad may access and use Verizon OSS Facilities only for those purposes for which Verizon is required by Applicable Law to provide such OSS Facilities to Covad.
- 8.4.3 Covad shall restrict access to and use of Verizon OSS Facilities to Covad. This Section 8 does not grant to Covad any right or license to grant sublicenses to other persons, or permission to other persons (except Covad's employees, agents and contractors, in accordance with Section 8.4.7 below), to access or use Verizon OSS Facilities.
- 8.4.4 Covad shall not (a) alter, modify or damage the Verizon OSS Facilities (including, but not limited to, Verizon software), (b) copy, remove, derive, reverse engineer, or decompile, software from the Verizon OSS Facilities, or (c) obtain access through Verizon OSS Facilities to Verizon databases, facilities, equipment, software, or systems, which are not offered for Covad's use under this Section 8.
- 8.4.5 Covad shall comply with all practices and procedures established by Verizon for access to and use of Verizon OSS Facilities (including, but not limited to, Verizon practices and procedures with regard to security and use of access and user identification codes); provided that Covad is given advance written notification (including notification given to the industry, via publicly accessible means, such as letters posted on Verizon's website) of all applicable practices and procedures and any changes to said practices and procedures.
- 8.4.6 All practices and procedures for access to and use of Verizon OSS Facilities, and all access and user identification codes for Verizon OSS Facilities: (a) shall remain the property of Verizon; (b) shall be used by Covad only in connection with Covad's use of Verizon OSS Facilities permitted by this Section 8; (c) shall be treated by Covad as

Confidential Information of Verizon pursuant to Section 10 of the Agreement; and, (d) shall be destroyed or returned by Covad to Verizon upon the earlier of request by Verizon or the expiration or termination of the Agreement.

8.4.7 Covad's employees, agents and contractors may access and use Verizon OSS Facilities only to the extent necessary for Covad's access to and use of the Verizon OSS Facilities permitted by this Agreement. Any access to or use of Verizon OSS Facilities by Covad's employees, agents, or contractors, shall be subject to the provisions of the Agreement, including, but not limited to, Section 10 of the Agreement and Section 8.5.2.3 of this Attachment.

## 8.5 Verizon OSS Information.

8.5.1 Subject to the provisions of this Section 8 and Applicable Law, Verizon grants to Covad a non-exclusive license to use Verizon OSS Information.

8.5.2 All Verizon OSS Information shall at all times remain the property of Verizon. Except as expressly stated in this Section 8, and subject to Applicable Law, Covad shall acquire no rights in or to any Verizon OSS Information.

8.5.2.1 The provisions of this Section 8.5.2 shall apply to all Verizon OSS Information, except (a) Covad Usage Information, (b) CPNI of Covad, and (c) CPNI of a Verizon Customer or a Covad Customer, to the extent the Customer has authorized Covad to use the CPNI, or has authorized Covad to become the Customer's Telecommunications Service Provider.

8.5.2.2 Covad may access and use Verizon OSS Information only for those purposes for which Verizon is required by Applicable Law to provide such OSS Information to Covad.

8.5.2.3 Covad shall treat Verizon OSS Information that is designated by Verizon, through written or electronic notice (including, but not limited to, through the Verizon OSS Services), as "Confidential" or "Proprietary" as Confidential Information of Verizon pursuant to Section 10 of the Agreement.

8.5.2.4 Except as expressly stated in this Section 8, this Agreement does not grant to Covad any right or license to grant sublicenses to other persons, or permission to other persons (except Covad's employees, agents or contractors, in accordance with Section 8.5.2.5 below), to access, use or disclose Verizon OSS Information.

8.5.2.5 Covad's employees, agents and contractors may access, use and disclose Verizon OSS Information only to the extent necessary for Covad's access to, and use and disclosure of, Verizon OSS Information permitted by

this Section 8. Any access to, or use or disclosure of, Verizon OSS Information by Covad's employees, agents or contractors, shall be subject to the provisions of this Agreement, including, but not limited to, Section 10 of the General Terms and Conditions and Section 8.5.2.3 above.

8.5.2.6 Covad's license to use Verizon OSS Information shall expire upon the earliest of: (a) the time when the Verizon OSS Information is no longer needed by Covad to provide Telecommunications Services to Covad Customers; (b) termination of the license in accordance with this Section 8; or (c) expiration or termination of the Agreement.

8.5.2.7 All Verizon OSS Information received by Covad shall be destroyed or returned by Covad to Verizon, upon expiration, suspension or termination of the license to use such Verizon OSS Information.

8.5.3 Unless sooner terminated or suspended in accordance with the Agreement or this Section 8 (including, but not limited to, Section 2.2 of the General Terms and Conditions and Section 8.6.1 below), Covad's access to Verizon OSS Information through Verizon OSS Services shall terminate upon the expiration or termination of the Agreement.

8.5.4 Audits:

8.5.4.1 Verizon shall have the right (but not the obligation) to audit Covad to ascertain whether Covad is complying with the requirements of Applicable Law and this Agreement with regard to Covad's access to, and use and disclosure of, Verizon OSS Information. Such audits shall not occur more frequently than once per year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit revealed violations of Applicable Law and/or this Agreement. Audits shall be pursued in a manner that minimizes disruption to Covad.

8.5.4.2 Without in any way limiting any other rights Verizon may have under the Agreement or Applicable Law, Verizon shall have the right (but not the obligation) to monitor Covad's access to and use of Verizon OSS Information which is made available by Verizon to Covad pursuant to this Agreement, to ascertain whether Covad is complying with the requirements of Applicable Law and this Agreement, with regard to Covad's access to, and use and disclosure of, such Verizon OSS Information. The foregoing right shall include, but not be limited to, the right (but not the obligation) to electronically monitor Covad's access to and use of Verizon OSS Information which is made available by Verizon to Covad through Verizon OSS Facilities.

8.5.4.3 Information obtained by Verizon pursuant to this Section 8.5.4. shall be treated by Verizon as Confidential Information of Covad pursuant to Section 10 of the General Terms and Conditions; provided that, Verizon shall have the right (but not the obligation) to use and disclose information obtained by Verizon pursuant to this Section 8.5.4 to enforce Verizon's rights under the Agreement or Applicable Law.

8.5.5 Covad acknowledges that the Verizon OSS Information, by its nature, is updated and corrected on a continuous basis by Verizon, and therefore that Verizon OSS Information is subject to change from time to time.

8.6 Liabilities and Remedies.

If Covad, or Covad's employees, agents or contractors breach, at any time, any of the provisions of Sections 8.4 or 8.5 above, and such material breach continues for more than ten (10) days after receiving written notice thereof from Verizon, then Verizon shall have the right, upon one (1) day's notice to Covad, suspend the license to use Verizon OSS Information granted by Section 8.5.1 above and/or the provision of Verizon OSS Services, in whole or in part.

Such suspension of Covad's license shall not be deemed to be the exclusive remedy for any such breach by Covad, or Covad's employees, agents or contractors, but shall be in addition to any other remedies available under this Agreement or at law or in equity.

8.7 Relation to Applicable Law.

The provisions of Sections 8.4, 8.5 and 8.6 above shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by Verizon of any right with regard to protection of the confidentiality of the information of Verizon or Verizon Customers provided by Applicable Law.

8.8 Cooperation.

Covad, at Covad's expense, shall reasonably cooperate with Verizon in using Verizon OSS Services. Such cooperation shall include, but not be limited to, the following:

8.8.1 Upon request by Verizon, but no more than quarterly, Covad shall submit to Verizon reasonable, good faith nonbinding estimates by state of the volume of each Verizon Retail Telecommunications Service for which Covad anticipates submitting orders. In the event that Covad becomes aware of spikes in demand above its forecast as provided to Verizon, Covad will notify Verizon and submit an update within two business days.

8.8.2 Verizon will use commercially reasonable efforts to ensure that its OSS Systems are designed to accommodate current and reasonably projected demand for Verizon's OSS Services.



- 8.8.3 Covad shall reasonably cooperate with Verizon in submitting orders for Verizon Services and otherwise using the Verizon OSS Services, in order to avoid exceeding the capacity or capabilities of such Verizon OSS Services.
- 8.8.4 Covad shall participate in cooperative testing of Verizon OSS Services and shall provide assistance to Verizon in identifying and correcting mistakes, omissions, interruptions, delays, errors, defects, faults, failures, or other deficiencies, in Verizon OSS Services.

8.9 Verizon Access to Information Related to Covad Customers.

- 8.9.1 Verizon shall have the right to access, use and disclose information related to Covad Customers that is in Verizon's possession (including, but not limited to, in Verizon OSS Facilities) to the extent such access, use and/or disclosure has been authorized by the Covad Customer in the manner required by Applicable Law. Covad shall have the right (but not the obligation) to audit Verizon to ascertain whether Verizon is complying with the requirements of Applicable Law and this Agreement with regard to Verizon's access to, and use and disclosure of, information related to Covad's customers provided to Verizon by Covad. Such audits shall not occur more frequently than once per year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit revealed violations of Applicable Law and/or this Agreement. Audits shall be pursued in a manner that minimizes disruption to Verizon.
- 8.9.2 Upon request by Verizon, Covad shall negotiate in good faith to provide Verizon access to Covad's operations support systems (including, systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing) and information contained in such systems, to permit Verizon to obtain information related to Covad Customers (as authorized by the applicable Covad Customer), to permit Customers to transfer service from one Telecommunications Carrier to another, and for such other purposes as may be permitted by Applicable Law.

8.10 Verizon Pre-OSS Services.

- 8.10.1 As used in this Section 8, "Verizon Pre-OSS Service" means a service which allows the performance of an activity which is comparable to an activity to be performed through a Verizon OSS Service and which Verizon offers to provide to Covad prior to, or in lieu of, Verizon's provision of the Verizon OSS Service to Covad. The term "Verizon Pre-OSS Service" includes, but is not limited to, the activity of placing orders for Verizon Services through a telephone facsimile communication.
- 8.10.2 Subject to the requirements of Applicable Law, the Verizon Pre-OSS Services that will be offered by Verizon shall be as determined by Verizon and Verizon shall have the right to change Verizon Pre-OSS Services, from time-to-time, subject to the change management process referred in, and implemented pursuant to the terms of, Section 8.2.2.

- 8.10.3 Subject to the requirements of Applicable Law, the prices for Verizon Pre-OSS Services shall be as determined by Verizon, and as approved as necessary by the Commission..
- 8.10.4 The provisions of Sections 8.4 through 8.8 above shall also apply to Verizon Pre-OSS Services. For the purposes of this Section 8.10: (a) references in Sections 8.4 through 8.8 above to Verizon OSS Services shall be deemed to include Verizon Pre-OSS Services; and, (b) references in Sections 8.4 through 8.8 above to Verizon OSS Information shall be deemed to include information made available to Covad through Verizon Pre-OSS Services.

8.11 Cancellations.

Verizon may cancel orders for service which have had no activity within thirty-one (31) consecutive calendar days after the most recent due date as reflected on the Local Service Confirmation (LSC). (Certain complex UNEs and UNEs requiring facility build-outs that may take longer than thirty-one (31) days to provision will be excluded from this provision).

**9. Poles, Ducts, Conduits and Rights-of-Way**

- 9.1 Verizon shall afford Covad non-discriminatory access to poles, ducts, conduits and rights-of-way owned or controlled by Verizon. Such access shall be provided in accordance with, but only to the extent required by, Applicable Law, pursuant to Verizon's applicable Tariffs, or, in the absence of an applicable Verizon Tariff, Verizon's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties.
- 9.2 Covad shall afford Verizon non-discriminatory access to poles, ducts, conduits and rights-of-way owned or controlled by Covad. Such access shall be provided in accordance with, but only to the extent required by, Applicable Law, pursuant to Covad's applicable Tariffs, or, in the absence of an applicable Covad Tariff, Covad's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties. The terms, conditions and prices offered to Verizon by Covad for such access shall be no less favorable than the terms, conditions and prices offered to Covad by Verizon for access to poles, ducts, conduits and rights of way owned or controlled by Verizon.

**10. Telephone Numbers**

- 10.1 This Section applies in connection with Covad Customers served by Telecommunications Services provided by Verizon to Covad for resale or a Local Switching Network Element provided by Verizon to Covad.
- 10.2 Covad's use of telephone numbers shall be subject to Applicable Law the rules of the North American Numbering Council and the North American Numbering Plan Administrator, the applicable provisions of this Agreement (including, but not limited to, this Section 10), and Verizon's practices and procedures for use and assignment of telephone numbers, as amended from time-to-time.

- 10.3 Subject to Sections 10.2 and 10.4, if a Customer of either Verizon or Covad who is served by a Verizon Telecommunications Service ("VTS") or a Verizon Local Switching Network Element ("VLSNE") changes the LEC that serves the Customer using such VTS or VLSNE (including a change from Verizon to Covad, from Covad to Verizon, or from Covad to a LEC other than Verizon), after such change, the Customer may continue to use with such VTS or VLSNE the telephone numbers that were assigned to the VTS or VLSNE for the use of such Customer by Verizon immediately prior to the change.
- 10.4 Verizon shall have the right to change the telephone numbers used by a Customer if at any time: (a) the Customer requests service at a new location, that is not served by the Verizon switch and the Verizon rate center from which the Customer previously had service; (b) continued use of the telephone numbers is not technically feasible; or, (c) in the case of Telecommunications Service provided by Verizon to Covad for resale, the type or class of service subscribed to by the Customer changes.
- 10.5 If service on a VTS or VLSNE provided by Verizon to Covad under this Agreement is terminated and the telephone numbers associated with such VTS or VLSNE have not been ported to a Covad switch, the telephone numbers shall be available for reassignment by Verizon to any person to whom Verizon elects to assign the telephone numbers, including, but not limited to, Verizon, Verizon Customers, Covad, or Telecommunications Carriers other than Verizon and Covad.
- 10.6 Covad may reserve telephone numbers only to the extent Verizon's Customers may reserve telephone numbers.

## RESALE ATTACHMENT

### 1. General

Verizon shall provide its Telecommunications Services for resale by Covad, in accordance with this Agreement (including, but not limited to, Verizon's applicable Tariffs) and the requirements of Applicable Law, including to the extent applicable 47 C.F.R. §§ 51.603, 51.613; provided, that notwithstanding any other provision of this Agreement, Verizon shall be obligated to provide Telecommunications Services to Covad only to the extent required by Applicable Law and may decline to provide a Telecommunications Service to Covad to the extent that provision of such Telecommunications Service is not required by Applicable Law.

### 2. Use of Verizon Telecommunications Services

- 2.1 Verizon Telecommunications Services may be purchased by Covad under this Resale Attachment only for the purpose of resale by Covad consistent with Applicable Law. Verizon Telecommunications Services to be purchased by Covad for other purposes (including, but not limited to, Covad's own use) must be purchased by Covad pursuant to other applicable Attachments to this Agreement (if any), or separate written agreements, including, but not limited to, applicable Verizon Tariffs.
- 2.2 All restrictions imposed by Verizon (herein or elsewhere) on Covad's resale of Verizon Telecommunications Services shall be consistent with Applicable Law. Covad shall not resell:
- 2.2.2 Residential service to persons not eligible to subscribe to such service from Verizon (including, but not limited to, business or other nonresidential Customers);
  - 2.2.1 Lifeline, Link Up America, or other means-tested service offerings, to persons not eligible to subscribe to such service offerings from Verizon;
  - 2.2.4 Grandfathered or discontinued service offerings to persons not eligible to subscribe to such service offerings from Verizon; or
  - 2.2.5 Any other Verizon service in violation of a restriction stated in this Agreement (including, but not limited to, a Verizon Tariff) that is not prohibited by Applicable Law.
  - 2.2.6 In addition to any other actions taken by Covad to comply with this Section, Covad shall take those actions required by Applicable Law to determine the eligibility of Covad Customers to purchase a service, including, but not limited to, obtaining any proof or certification of eligibility to purchase Lifeline, Link Up America, or other means-tested services, required by Applicable Law. Covad shall indemnify Verizon from any Claims resulting from Covad's failure to take such actions required by Applicable Law.
  - 2.2.7 Verizon may perform audits to confirm Covad's conformity to the provisions of this Section. Such audits may be performed twice per calendar year and shall be performed in accordance with Section 7 of the General Terms and Conditions.

- 2.3 Covad shall be subject to the same limitations that Verizon's Customers are subject to with respect to any Telecommunications Service that Verizon grandfathered or discontinues offering. Without limiting the foregoing, except to the extent that Verizon follows a different practice for Verizon Customers in regard to a grandfathered Telecommunications Service, such grandfathered Telecommunications Service: (a) shall be available only to a Customer that already has such Telecommunications Service; (b) may not be moved to a new service location; and, (c) will be furnished only to the extent that facilities continue to be available to provide such Telecommunications Service.
- 2.4 Covad shall not be eligible to participate in any Verizon plan or program under which Verizon Customers may obtain products or services which are not Verizon Telecommunications Services, in return for trying, agreeing to purchase, purchasing, or using, Verizon Telecommunications Services.
- 2.5 In accordance with 47 CFR § 51.617(b), Verizon shall be entitled to all charges for Verizon Exchange Access services used by interexchange carriers to provide service to Covad Customers.

### **3. Availability of Verizon Telecommunications Services**

- 3.1 Verizon will provide a Verizon Telecommunications Service to Covad for resale pursuant to this Attachment where and to the same extent, but only where and to the same extent, that such Verizon Telecommunications Service is provided to Verizon's Customers.
- 3.2 Except as otherwise required by Applicable Law, subject to Section 3.1, Verizon shall have the right to add, modify, grandfather, discontinue or withdraw, Verizon Telecommunications Services at any time, without the consent of Covad.
- 3.3 To the extent required by Applicable Law, the Verizon Telecommunications Services to be provided to Covad for resale pursuant to this Attachment will include a Verizon Telecommunications Service customer-specific contract service arrangement ("CSA") (such as a customer specific pricing arrangement or individual case based pricing arrangement) that Verizon is providing to a Verizon Customer at the time the CSA is requested by Covad.

### **4. Responsibility for Charges**

Covad shall be responsible for and pay all charges for any Verizon Telecommunications Services provided by Verizon pursuant to this Resale Attachment.

### **5. Operations Matters**

#### **5.1 Facilities.**

- 5.1.1 Verizon and its suppliers shall retain all of their right, title and interest in all facilities, equipment, software, information, and wiring, used to provide Verizon Telecommunications Services.
- 5.1.2 Verizon shall have access at all reasonable times to Covad Customer locations for the purpose of installing, inspecting, maintaining, repairing, and removing, facilities, equipment, software, and wiring, used to provide the Verizon Telecommunications Services. Upon the request of Verizon,

Covad shall, at Covad's expense, obtain any rights and authorizations necessary for such access.

- 5.1.3 Except as otherwise agreed to in writing by Verizon, Verizon shall not be responsible for the installation, inspection, repair, maintenance, or removal, of facilities, equipment, software, or wiring, provided by Covad or Covad Customers for use with Verizon Telecommunications Services.

5.2 Branding.

- 5.2.1 Except as stated in Section 5.2.2, in providing Verizon Telecommunications Services to Covad, Verizon shall have the right (but not the obligation) to identify the Verizon Telecommunications Services with Verizon's trade names, trademarks and service marks ("Verizon Marks"), to the same extent that these Services are identified with Verizon's Marks when they are provided to Verizon's Customers. Any such identification of Verizon's Telecommunications Services shall not constitute the grant of a license or other right to Covad to use Verizon's Marks.

- 5.2.2 To the extent required by Applicable Law, upon request by Covad and at prices, terms and conditions to be negotiated by Covad and Verizon, Verizon shall provide Verizon Telecommunications Services for resale that are identified by the trade name, trademark, or service mark of Covad, its affiliates or business partners, or that are not identified by trade name, trademark or service mark.

- 5.2.3 If Verizon uses a third-party contractor to provide Verizon Operator Services or Verizon Directory Assistance Services, Covad will be responsible for entering into a direct contractual arrangement with the third-party contractor at Covad's expense (a) to obtain identification of Verizon Operator Services or Verizon Directory Assistance Services purchased by Covad for resale with Covad's trade name, or (b) to obtain removal of trade name, trademark or service mark identification from Verizon Operator Services or Verizon Directory Assistance Services purchased by Covad for resale.

5.3 Discontinuance of Resold Services by End User.

Verizon shall provide Covad with notice of a Covad end user's change in local telecommunications service provider by providing electronic access to Verizon's line loss report. The line loss report is an electronic file made available to CLECs and resellers listing those lines serving their end user customers that have moved to another telecommunications service provider.

**6. Rates and Charges**

- 6.1 The rates and charges for Verizon Telecommunication Services purchased by Covad for resale pursuant to this Attachment shall be as provided in this Attachment and the Pricing Attachment.

## UNBUNDLED NETWORK ELEMENTS (UNEs) ATTACHMENT

### 1. General

- 1.1 Verizon shall provide to Covad, in accordance with this Agreement (including, but not limited to, Verizon's applicable Tariffs, but only to the extent that such Tariffs are not inconsistent with this Principle Document) and the requirements of Applicable Law, access to Verizon's Network Elements on an unbundled basis and in combinations (Combinations); provided, however, that notwithstanding any other provision of this Agreement, Verizon shall be obligated to provide unbundled Network Elements (UNEs) and Combinations to Covad only to the extent required by Applicable Law and may decline to provide UNEs or Combination to Covad to the extent that provision of such UNEs or Combinations is not required by Applicable Law.
- 1.2 Verizon shall be obligated to combine UNEs that are not already combined in Verizon's network only to the extent required by Applicable Law. Except as otherwise required by Applicable Law: (a) Verizon shall be obligated to provide a UNE or Combination pursuant to this Agreement only to the extent such UNE or Combination, and the equipment and facilities necessary to provide such UNE or Combination, are available in Verizon's network (even if they do not have telecommunications services currently transmitted over them or are not currently being utilized by Verizon, except to the extent that Verizon is permitted under Applicable Law to reserve unused UNEs or Combinations for its own use); and (b) Verizon shall have no obligation to construct or deploy new facilities or equipment to offer any UNE or Combination..
- 1.3 Covad may use a UNE or Combination only for those purposes for which Verizon is required by Applicable Law to provide such UNE or Combination to Covad.
- 1.4 Notwithstanding any other provision of this Agreement:
  - 1.4.1 To the extent that Verizon is required by a change in Applicable Law to provide to Covad a UNE or Combination not offered under this Agreement to as of the Effective Date, the terms, conditions and prices for such UNE or Combination (including, but not limited to, the terms and conditions defining the UNE or Combination and stating when and where the UNE or Combination will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) shall be as provided in an applicable Tariff of Verizon, or, in the absence of an applicable Verizon Tariff, as mutually agreed by the Parties.
  - 1.4.2 Verizon shall not be obligated to provide to Covad, and Covad shall not request from Verizon, access to a proprietary advanced intelligent network service, unless the Parties otherwise agree.
- 1.5 Without limiting Verizon's rights pursuant to Applicable Law or any other section of this Agreement to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to Covad, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has

determined that Verizon is not required by Applicable Law to provide such UNEs or Combination, Verizon may terminate its provision of such UNE or Combination to Covad. If Verizon terminates its provision of a UNE or a Combination to Covad pursuant to this Section 1.5 and Covad elects to purchase other Services offered by Verizon in place of such UNE or Combination, then: (a) Verizon shall reasonably cooperate with Covad to coordinate the termination of such UNE or Combination and the installation of such Services to minimize the interruption of service to Customers of Covad; and, (b) Covad shall pay all applicable charges for such Services, including, but not limited to, any applicable transition charges.

- 1.6 Nothing contained in this Agreement shall be deemed to constitute an agreement by Verizon that any item identified in this Agreement as a UNE is (i) a Network Element under Applicable Law, or (ii) a Network Element Verizon is required by Applicable Law to provide to Covad on an unbundled basis.
- 1.7 Except as otherwise expressly stated in this Agreement, Covad shall access Verizon's UNEs specifically identified in this Agreement via Collocation in accordance with the Collocation Attachment at the Verizon Wire Center where those elements exist, and each Loop or Port shall, in the case of Collocation, be delivered to Covad's Collocation node by means of a Cross Connection.
- 1.8 If as the result of Covad Customer actions (i.e., Customer Not Ready ("CNR")), Verizon cannot complete requested work activity when a technician has been dispatched to the Covad Customer premises, Covad will be assessed a non-recurring charge associated with this visit. This charge will be the sum of the applicable Service Order charge specified in the Pricing Attachment and the Premises Visit Charge as specified in Verizon's applicable retail or Wholesale Tariff.

## **2. Verizon's Provision of UNEs**

Subject to the conditions set forth in Section 1, in accordance with, but only to the extent required by, Applicable Law, Verizon shall provide Covad access to the following:

- 2.1 Loops, as set forth in Section 3;
- 2.2 Line Sharing, as set forth in Section 4;
- 2.3 Line Splitting, as set forth in Section 5
- 2.4 Sub-Loops, as set forth in Section 6;
- 2.5 Inside Wire, as set forth in Section 7;
- 2.6 Dark Fiber, as set forth in Section 8;
- 2.7 Network Interface Device, as set forth in Section 9;
- 2.8 Switching Elements, as set forth in Section 10;
- 2.9 Interoffice Transmission Facilities, as set forth in Section 11;
- 2.10 [Intentionally Left Blank]



- 2.11 Operations Support Systems, as set forth in Section 12; and
- 2.12 Other UNEs in accordance with Section 13.

### 3. Loop Transmission Types

Subject to the conditions set forth in Section 1, Verizon shall allow Covad to access Loops unbundled from local switching and local transport, in accordance with the terms and conditions set forth in this Section 3. Verizon shall allow Covad access to Loops in accordance with, but only to extent required by, Applicable Law. The available Loop types are as set forth below in 3.1 through 3.9:

- 3.1 "2-Wire ISDN Digital Grade Loop" or "BRI ISDN" provides a channel with 2-wire interfaces at each end that is suitable for the transport of 160 kbps digital services using the ISDN/IDSL 2B1Q line code. In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels. Verizon will provide loop extension equipment only upon request. A separate charge will apply for loop extension equipment. Covad connecting equipment should conform to the limits for SMC1 in T1-417-2001, as revised from time to time.
- 3.2 "2-Wire ADSL-Compatible Loop" or "ADSL 2W" provides a channel with 2-wire interfaces at each end that is suitable for the transport of digital signals up to 8 Mbps toward the Customer and up to 1 Mbps from the Customer. ADSL-Compatible Loops will be available only where existing copper facilities are available and meet applicable specifications. Verizon will not build new copper facilities. The upstream and downstream ADSL power spectral density masks and dc line power limits in Verizon TR 72575, Issue 2, as revised from time-to-time, must be met, or alternatively, connecting equipment should conform to the limits for SMC5 or SMC9 in T1-417-2001, as revised from time to time.
- 3.3 "2-Wire HDSL-Compatible Loop" or "HDSL 2W" consists of a single 2-wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, Issue 2, as revised from time-to-time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001, as revised from time to time. 2-wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build new copper facilities. The 2-wire HDSL-compatible loop is only available in Bell Atlantic service areas. Covad may order a GTE Designed Digital Loop to provide similar capability in the GTE service area.
- 3.4 "4-Wire HDSL-Compatible Loop" or "HDSL 4W" consists of a channel with 4 wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, as revised from time-to-time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001. 4-Wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build new copper facilities. The 4-Wire HDSL compatible loop is available in former Bell Atlantic service areas. Covad may order a GTE 4-Wire Designed Digital Loop to provide similar capability in the former GTE service area.

- 3.5 "4-Wire DS1-compatible Loop" provides a channel with 4-wire interfaces at each end. Each 4-wire channel is suitable for the transport of 1.544 Mbps digital signals simultaneously in both directions using PCM line code. DS-1-compatible Loops will be available only where existing facilities can meet the specifications. In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels. Verizon will provide loop extension equipment upon request. A separate charge will apply for such equipment.
- 3.6 "2-Wire IDSL-Compatible Metallic Loop" consists of a single 2-wire non-loaded, twisted copper pair that meets revised resistance design criteria. This UNE loop is intended to be used with very-low band symmetric DSL systems that meet the Class 1 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3) and are not compatible with 2B1Q 160 kbps ISDN transport systems. The actual data rate achieved depends upon the performance of Covad-provided modems with the electrical characteristics associated with the loop. This loop cannot be provided via IDLC or UDLC. Verizon will not build new copper facilities.
- 3.7 "2-Wire SDSL-Compatible Loop", is intended to be used with low band symmetric DSL systems that meet the Class 2 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3). This UNE loop consists of a single 2-wire non-loaded, twisted copper pair that meets Class 2 length limit in T1E1.4/2000-002R3 or alternately, connecting equipment should conform to the limits for SMC2, in T1-417-2001. The data rate achieved depends on the performance of the CLEC-provided modems with the electrical characteristics associated with the loop. SDSL-compatible local loops will be provided only where facilities are available and can meet applicable specifications. Verizon will not build new copper facilities.
- 3.8 "DS-3 Loops" will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps or the equivalent of 28 DS-1 channels. This Loop type is more fully described in Verizon TR 72575, as revised from time to time. The DS-3 Loop includes the electronics necessary to provide the DS-3 transmission rate. A DS-3 Loop will only be provided where the electronics are at the requested installation date currently available for the requested loop. Verizon will not install new electronics.
- 3.9 In the former Bell Atlantic Service Areas only, "Digital Designed Loops" are comprised of designed loops that meet specific Covad requirements for metallic loops over 18k ft. or for conditioning of ADSL, HDSL, SDSL, IDSL, or BRI ISDN Loops. "Digital Designed Loops" may include requests for:
- 3.9.1 a 2W Digital Designed Metallic Loop with a total loop length of 18k to 30k ft., unloaded, with the option to remove bridged tap;
  - 3.9.2 a 2W ADSL Loop of 12k to 18k ft. with an option to remove bridged tap;
  - 3.9.3 a 2W ADSL Loop of less than 12k ft. with an option to remove bridged tap;
  - 3.9.4 a 2W HDSL Loop of less than 12k ft. with an option to remove bridged tap;
  - 3.9.5 a 4W HDSL Loop of less than 12k ft with an option to remove bridged

- tap;
  - 3.9.6 a 2 W Digital Designed Metallic Loop with Verizon-placed ISDN loop extension electronics;
  - 3.9.7 a 2W SDSL Loop with an option to remove bridged tap; and
  - 3.9.8 a 2W IDSL Loop of less than 18k ft. with an option to remove bridged tap;
  - 3.9.9 a 2W Digital Designed Metallic Loop, non-conforming, 18k ft. to 30k ft. (conditioning is not offered under this DDL option).
- 3.10 In the former GTE Service Areas only, "Conditioned Loops" are comprised of designed loops that meet specific \*\*\*CLEC Acronym TXT\*\*\* requirements for metallic loops over 12k ft. or for conditioning of 2-wire or 4-wire digital or BRI ISDN Loops. "Conditioned Loops" may include requests for:
- 3.10.1 a 2W Digital Loop with a total loop length of 12k to 30k ft., unloaded, with the option to remove bridged tap (such a Loop, unloaded, with bridged tap so removed shall be deemed to be a "2W Digital Compatible Loop");
  - 3.10.2 a 2W Digital Loop of 12k to 18k ft. with an option to remove load coils and/or bridged tap (such a Loop with load coils and/or bridged tap so removed shall be deemed to be a "2W Digital Compatible Loop");
  - 3.10.3 a 2W Digital or 4W Digital Loop of less than 12k ft. with an option to remove bridged tap (such a 2W Loop with bridged tap so removed shall be deemed to be a "2W Digital Compatible Loop");
  - 3.10.4 a 2W Digital Loop with Verizon-placed ISDN loop extension electronics (such a Loop with ISDN loop extension electronics so placed shall be deemed to be a "2W Digital Compatible Loop").
- 3.11 Covad and Verizon will follow Applicable Law governing spectrum management and provisioning of xDSL services.
- If Covad wishes to order a loop type or technology that has not yet been developed, a BFR should be submitted.
- 3.12 Verizon shall make Digital Designed Loops and Conditioned Loops available to Covad at the rates as set forth in the Pricing Attachment. The Parties agree that nothing herein constitutes a waiver of either Party's position, in a generic proceeding, including a network element cost proceeding, arbitration or other proceeding conducted before the Commission or a Commission-designated arbitrator, regarding prices to be charged for either loop conditioning or the Digital Designed Loop or Conditioned Loop products.
- 3.13 The following ordering procedures shall apply to the xDSL, Digital Designed Loops, and Conditioned Loops:
- 3.13.1 Covad shall place orders for xDSL Compatible Loops, Digital Designed Loops, and Conditioned Loops by delivering to Verizon a valid electronic transmittal service order or other mutually agreed upon type of service

order. Such service order shall be provided in accordance with industry format and specifications or such format and specifications as may be agreed to by the Parties.

- 3.13.2 In the former Bell Atlantic Service Areas, Verizon has conducted, and continues to update, a mechanized survey of existing Loop facilities, on a Central Office by Central Office basis, to identify those Loops that meet the applicable technical characteristics established by Verizon for compatibility with ADSL, HDSL, IDSL and SDSL signals. The results of this survey are stored in a mechanized database and made available to Covad as the process is completed in each Central Office. Covad must utilize this mechanized loop qualification database, where available, in advance of submitting a valid electronic transmittal service order for an ADSL, HDSL, IDSL or SDSL Loop. If Verizon expands the mechanized survey to cover additional services, for either itself, an Affiliate, or any third party, then Verizon will make any such enhancements to the survey available to Covad. Charges for mechanized loop qualification information are set forth in the Pricing Attachment.
- 3.13.3 Verizon shall provide access to loop qualification information in accordance with, but only to the extent required by, Applicable Law, including 47 C.F.R. § 51.5 and 47 C.F.R. § 51.319(g). To the extent that Verizon's mechanized loop qualification database does not do so, Verizon shall provide Covad with nondiscriminatory access to the same manually accessed detailed information about the loop that is available to Verizon, or its Affiliate, in accordance with, but only to the extent required by, Applicable Law, including 47 CFR § 51.5 and 47 CFR § 51.319(g).
- 3.13.4 Covad may submit an order for a loop notwithstanding having received notice from Verizon during the pre-qualification process that the loop is "loop not qualified – T1 in the binder group" or in the same binder group as a "known disturber" as defined under FCC rules. Upon receipt of a valid LSR for such loop, Verizon will process the order in accordance with standard procedures. If Verizon needs to use manual procedures to process this LSR, it will do so at no charge to Covad. If necessary and as available, Verizon will perform a line & station transfer (LST) subject to applicable charges. Upon the request of Covad, Verizon will provide Digital Designed Loop products for the loop in accordance with the Pricing Attachment or other forms of loop conditioning to be agreed upon by the Parties, subject to applicable charges.
- 3.13.5 In the former Bell Atlantic Service Areas only, if the Loop is not listed in the mechanized database described in Section 3.13.2, Covad must request a manual loop qualification prior to submitting a valid electronic service order for an ADSL, HDSL, SDSL, or IDSL Loop. The rates for manual loop qualification are set forth in the Pricing Attachment. Verizon will complete a manual loop qualification request within the same intervals that Verizon completes manual loop qualifications for itself or a Verizon affiliate. In general, Verizon will complete the manual loop qualification within three (3) business days, although Verizon may require additional time due to poor record conditions, spikes in demand, or other unforeseen events.

- 3.13.6 If a query to the mechanized loop qualification database (or, in the former Bell Atlantic Service Area, manual loop qualification) indicates that a Loop does not qualify (e.g., because it does not meet the applicable technical parameters set forth in the Loop descriptions above), Covad may request an Engineering Query, as described in Section 3.13.9, to determine whether the result is due to characteristics of the loop itself (e.g. specific number and location of bridge taps, the specific number of load coils, or the gauge of the cable).
- 3.13.7 If Covad submits a service order for an ADSL, HDSL, SDSL, or IDSL Loop that has not been prequalified, Verizon will query the service order back to Covad for qualification and will not accept such service order until the Loop has been prequalified on a mechanized or manual basis. Verizon will accept service orders for BRI ISDN Loops without regard to whether they have been prequalified. The Parties agree that Covad may contest the prequalification finding for an order or set of orders. At Covad's option, and where available facilities exist, Verizon will provision any such contested order or set of orders as Digital Designed Loops, pending negotiations between the Parties and ultimately Covad's decision to seek resolution of the dispute from either the Commission or the FCC.
- 3.13.8 If Covad submits a service order for an ADSL, HDSL, SDSL, IDSL, or BRI ISDN Loop that is, in fact, not compatible with such services in its existing condition, Verizon will, in the same interval that Verizon provides to itself or a Verizon Affiliate, respond back to Covad with a "Nonqualified" indicator and with the information showing whether the non-qualified result is due to the presence of load coils, presence of digital loop carrier, or loop length (including bridged tap) or digital added main lines (DAMLs). Upon request by Covad Verizon shall credit Covad for any charges associated with processing a service order or provisioning a line share or stand alone xDSL loop in the cases where Verizon's prequalification process incorrectly indicated that the loop ordered by Covad met the appropriate technical characteristics established by Verizon for compatibility with ADSL, HDSL, IDSL and SDSL signals. No credit shall apply if a line and station transfer (LST) is available but not used.
- 3.13.9 Where Covad has followed the prequalification procedure described above and has determined that a Loop is not compatible with ADSL, HDSL, SDSL, IDSL, or BRI ISDN service in its existing condition, it may either request an Engineering Query to determine whether conditioning may make the Loop compatible with the applicable service; or if Covad is already aware of the conditioning required (e.g., where Covad has previously requested a qualification and has obtained loop characteristics), Covad may submit a service order for a Digital Designed Loop or Conditioned Loop. Verizon will undertake to condition or extend the Loop in accordance with this Section 3.13.9 upon receipt of Covad's valid, accurate and pre-qualified service order for a Digital Designed Loop or Conditioned Loop.
- 3.13.10 The Parties will make reasonable efforts to coordinate their respective roles in order to minimize provisioning problems. In general, where conditioning or loop extensions are requested by Covad, the shortest of the following interval applies for conditioning and/or extending loops: (1)

the interval that Verizon provides to itself, or third parties or (2) the Commission-adopted interval.

After the engineering and conditioning tasks have been completed, the standard Loop provisioning and installation process will be initiated, subject to Verizon's standard provisioning intervals.

- 3.13.11 If Covad requires a change in scheduling, it must contact Verizon to issue a supplement to the original service order. If Covad cancels the request for conditioning after a loop analysis has been completed but prior to the commencement of construction work, Covad shall compensate Verizon for an Engineering Work Order charge as set forth in the Pricing Attachment. If Covad cancels the request for conditioning after the loop analysis has been completed and after construction work has started or is complete, Covad shall compensate Verizon for an Engineering Work Order charge as well as the charges associated with the conditioning tasks performed as set forth in the Pricing Attachment.
- 3.13.12 If Covad orders a loop that is determined to be xDSL Compatible, but the Loop serving the service address is unusable or unavailable to be assigned as an xDSL Compatible Loop, Verizon will search the Customer's serving terminal for a suitable spare facility. If an xDSL Compatible Loop is found within the serving terminal, Verizon will perform a Line and Station Transfer (or "pair swap") whereby the Verizon technician will transfer the Customer's existing service from one existing Loop facility onto an alternate existing xDSL Compatible Loop facility serving the same location. Verizon performs Line and Station Transfers in accordance with the procedures developed in the DSL Collaborative in the State of New York, NY PSC Case 00-C-0127. Standard intervals do not apply when Verizon performs a Line and Station Transfer, and additional charges shall apply as set forth in the Pricing Attachment.
- 3.13.13 In the former Bell Atlantic Service Areas only, Covad may request Cooperative Testing in conjunction with its request for an xDSL Compatible Loop or Digital Designed Loop. "Cooperative Testing" is a procedure whereby a Verizon technician and a Covad technician jointly verify that an xDSL Compatible Loop or Digital Designed Loop is properly installed and operational prior to Verizon's completion of the order. Covad may request, at its option, Cooperative Testing by entering a toll-free (e.g. 800) number in the Remarks field of the LSR of an xDSL Compatible or Digital Designed Loop Service Order, and the Verizon technician will call the toll-free number to perform the Cooperative Test. When both the Verizon and Covad technicians agree that the Loop test shows that the Loop is operational, the Covad technician will provide the Verizon technician with a serial number to acknowledge that the Loop is operational. Charges for Cooperative Testing are as set forth in the Pricing Attachment.
- 3.13.14 Verizon shall provide Covad access to its Loops at each of Verizon's Wire Centers for Loops terminating in that Wire Center. In addition, if Covad orders one or more Loops provisioned via Integrated Digital Loop Carrier or Remote Switching technology deployed as a Loop concentrator, Verizon shall, where available, move the requested Loop(s) to a spare physical Loop, if one is existing and available, at no additional charge to Covad. If, however, no spare physical Loop is available, Verizon shall within three (3) Business Days of Covad's

request notify Covad of the lack of available facilities. Covad may then at its discretion make a Network Element Bona Fide Request pursuant to Section 13.3 to Verizon to provide the unbundled Local Loop through the demultiplexing of the integrated digitized Loop(s). Covad may also make a Network Element Bona Fide Request pursuant to Section 13.3 for access to Unbundled Local Loops at the Loop concentration site point. Notwithstanding anything to the contrary in this Agreement, standard provisioning intervals shall not apply to Loops provided under this Section 3.13.

- 3.14 The provisioning interval for all loops not requiring conditioning shall be the shortest of the following: (a) the interval Verizon provides to itself or an affiliate; or (b) the Commission-ordered interval.
- 3.15 Verizon shall not install a maintenance test unit or similar device at the customer NID or premises on any working xDSL or line shared loop being leased by Covad, without the written permission of Covad.
- 3.16 In the event that the Parties dispute the source or cause of a trouble on a line shared loop, Covad may request, and Verizon will agree to, a joint technician meeting at the main distribution frame ("MDF") serving that loop to perform testing. This joint meeting will occur within 24 hours of the request being made to the appropriate Verizon service center. The testing will follow routine procedures for clearing and isolating troubles and will employ hand held testing devices selected, provided, and operated by Covad. Such testing will involve gaining intrusive access to the line shared loop to be tested (at one or more appearances on the MDF or other distributing frames in the central office upon which the line shared loop appears) and connecting the hand held testing devices thereto. Within 15 minutes of the meeting time agreed between the parties, Covad shall have permission to begin testing on the MDF.

In order for the Parties to have a good faith dispute about the cause or source of a trouble on a line shared loop, the Parties need only disagree about the cause or source of a trouble on a loop to be tested. Nevertheless, to the extent that either Party has facilities in place to conduct any other form of testing of the loop, it must present whatever findings it has from that testing to the other Party at the time of the meeting or within 24 hours thereof.

- 3.17 Migration of XDSL: Migration between carriers of an end user being provided with xDSL service over line shared or stand alone loops shall be consistent with such terms, conditions and guidelines as are agreed upon for such migrations through Verizon's Change Control process or in the ongoing DSL Collaboratives in the State of New York, NY PSC case 00-C-0127, allowing for local jurisdictional and OSS differences.

#### **4. Line Sharing**

- 4.1 "Line Sharing" is an arrangement by which Verizon facilitates Covad's provision of ADSL (in accordance with T1.413), Splitterless ADSL (in accordance with T1.419), RADSLS (in accordance with TR # 59), MVL (a proprietary technology), or any other xDSL technology that is presumed to be acceptable for shared line deployment in accordance with FCC rules, to a particular Customer location over an existing copper Loop that is being used simultaneously by Verizon to provide analog circuit-switched voice grade service to that Customer by making available

to Covad, solely for Covad's own use, the frequency range above the voice band on the same copper Loop required by Covad to provide such services. This Section 4 addresses line sharing over loops that are entirely copper loops.

- 4.2 Subject to the conditions set forth in Section 1, Verizon shall provide Line Sharing to Covad for Covad's provision of ADSL (in accordance with T1.413), Splitterless ADSL (in accordance with T1.419), RADSL (in accordance with TR # 59), MVL (a proprietary technology), or any other xDSL technology that is presumed to be acceptable for shared line deployment in accordance with FCC rules, in accordance with this Section 4 and the rates and charges provided in the Pricing Attachment. Verizon shall provide Line Sharing to Covad in accordance with, but only to the extent required by Applicable Law. In order for a Loop to be eligible for Line Sharing, the following conditions must be satisfied for the duration of the Line Sharing arrangement: (i) the Loop must consist of a copper loop compatible with an xDSL service that is presumed to be acceptable for shared-line deployment in accordance with FCC rules; (ii) Verizon must be providing simultaneous circuit-switched analog voice grade service to the Customer served by the Loop in question; (iii) the Verizon Customer's dial tone must originate from a Verizon End Office Switch in the Wire Center where the Line Sharing arrangement is being requested; and (iv) the xDSL technology to be deployed by Covad on that Loop must not significantly degrade the performance of other services provided on that Loop.
- 4.3 Verizon shall make Line Sharing available to Covad at the rates and charges set forth in the Pricing Attachment. In addition to the recurring and nonrecurring charges shown in the Pricing Attachment for Line Sharing itself, the following rates shown in the Pricing Attachment and in Verizon's applicable Tariffs are among those that may apply to a Line Sharing arrangement: (i) prequalification charges to determine whether a Loop is xDSL compatible (i.e., compatible with an xDSL service that is presumed to be acceptable for shared-line deployment in accordance with FCC rules); (ii) engineering query charges, engineering work order charges, or Loop conditioning (Digital Designed Loop) charges; (iii) charges associated with Collocation activities requested by Covad; and (iv) misdirected dispatch charges, charges for installation or repair, manual intervention surcharges, trouble isolation charges, and pair swap/line and station transfer charges.
- 4.4 The following ordering procedures shall apply to Line Sharing:
- 4.4.1 To determine whether a Loop qualifies for Line Sharing, the Loop must first be prequalified to determine if it is xDSL compatible. Covad must utilize the mechanized and manual Loop qualification processes described in the terms applicable to xDSL, Digital Designed Loops, and Conditioned Loops to make this determination.
- 4.4.2 Covad shall place orders for Line Sharing by delivering to Verizon a valid electronic transmittal service order or other mutually agreed upon type of service order. Such service order shall be provided in accordance with industry format and specifications or such format and specifications as may be agreed to by the Parties.
- 4.4.3 If the Loop is prequalified by Covad using Verizon's loop prequalification tools, and if a positive response is received and followed by receipt of Covad's valid, accurate and pre-qualified service order for Line Sharing, Verizon will return an LSR confirmation in accordance with applicable



industry-wide performance standards.

- 4.4.4 If the Loop requires qualification manually or through an Engineering Query, three (3) additional Business Days will generally be required to obtain Loop qualification results before an order confirmation can be returned following receipt of Covad's valid, accurate request. Verizon may require additional time to complete the Engineering Query where there are poor record conditions, spikes in demand, or other unforeseen events.
  - 4.4.5 If conditioning is required to make a Loop capable of supporting Line Sharing and Covad orders such conditioning, then Verizon shall provide such conditioning in accordance with the terms of this Agreement pertaining to Digital Designed Loops and Conditioned Loops; provided, however, that Verizon shall not be obligated to provide Loop conditioning if Verizon establishes that such conditioning is likely to degrade significantly the voice-grade service being provided to Verizon's Customers over such Loops.
  - 4.4.6 The standard Loop provisioning and installation process will be initiated for the Line Sharing arrangement only once the requested engineering and conditioning tasks have been completed on the Loop. Scheduling changes and charges associated with order cancellations after conditioning work has been initiated are addressed in the terms pertaining to Digital Designed Loops and Conditioned Loops, as referenced in Section 4.4.5, above. The provisioning interval for the Line Sharing arrangement initially shall be the standard interval of six (6) business days applicable to 2W ADSL Loops. In no event shall the Line Sharing interval applied to Covad be longer than the interval applied to any similarly situated Affiliate of Verizon.
  - 4.4.7 Covad must provide all required Collocation, CFA, Special Bill Number (SBN) and NC/NCI information when a Line Sharing Arrangement is ordered. Collocation augments required, either at the Point of Termination (POT) Bay, Collocation node, or for splitter placement must be ordered using standard collocation applications and procedures, unless otherwise agreed to by the Parties or specified in this Agreement.
  - 4.4.8 The Parties recognize that Line Sharing is a new offering by Verizon. The Parties will make reasonable efforts to coordinate their respective roles in the early phases of the roll out of Line Sharing in order to minimize provisioning problems and facility issues. Covad will provide reasonable, timely, and accurate forecasts of its Line Sharing requirements, including splitter placement elections and ordering preferences. These forecasts are in addition to projections provided for other stand-alone unbundled Loop types.
- 4.5 To the extent required by Applicable Law, Covad shall provide Verizon with information regarding the type of xDSL technology that it deploys on each shared Loop. Where any proposed change in technology is planned on a shared Loop, Covad must provide this information to Verizon in order for Verizon to update Loop records and anticipate effects that the change may have on the voice grade service and other Loops in the same or adjacent binder groups.
- 4.6 As described more fully in Verizon Technical Reference 72575, the xDSL technology used by Covad for Line Share Arrangements shall operate within the Power Spectral

Density (PSD) limits set forth in T1.413-1998 (ADSL), T1.419-2000 (Splitterless ADSL), or TR59-1999 (RADSL), and MVL (a proprietary technology) shall operate within the 0 to 4 kHz PSD limits of T1.413-1998 and within the transmit PSD limits of T1.601-1998 for frequencies above 4 kHz, provided that the MVL PSD associated with audible frequencies above 4 kHz shall be sufficiently attenuated to preclude significantly degrading voice services. Covad's deployment of additional Advanced Services shall be subject to the applicable FCC Rules.

- 4.7 Covad may only access the high frequency portion of a Loop in a Line Sharing arrangement through an established Collocation arrangement at the Verizon Serving Wire Center that contains the End Office Switch through which voice grade service is provided to Verizon's Customer. Covad is responsible for providing, through one of the splitter options below, a splitter at that Wire Center that complies with ANSI specification T1.413, employs Direct Current (DC) blocking capacitors or equivalent technology to assist in insulating high bandwidth trouble resolution and maintenance to the high frequency portion of the frequency spectrum, and operates so that the analog voice "dial tone" stays active when the splitter card is removed for testing or maintenance. Covad is also responsible for providing its own Digital Subscriber Line Access Multiplexer (DSLAM) equipment in the Collocation arrangement and any necessary Customer Provided Equipment (CPE) for the xDSL service it intends to provide (including CPE splitters, filters and/or other equipment necessary for the end user to receive separate voice and data services across the shared Loop).

Two splitter configurations are available. In both configurations, the splitter must be provided by Covad and must satisfy the same NEBS requirements that Verizon imposes on its own splitter equipment or the splitter equipment of any Verizon Affiliate. Covad must designate which splitter option it is choosing on the Collocation application or augment. Regardless of the option selected, the splitter arrangements must be installed before Covad submits an order for Line Sharing.

#### Splitter Option A: Splitter in Covad Collocation Area

In this configuration, the Covad-provided splitter (ANSI T1.413 or MVL compliant) is provided, installed and maintained by Covad in its own Collocation space within the Customer's serving End Office. The Verizon-provided dial tone is routed through the splitter in the Covad Collocation area. Any rearrangements will be the responsibility of Covad.

#### Splitter Option C: Splitter in Verizon Area

In this configuration, Verizon inventories and maintains a Covad-provided splitter (ANSI T1.413 or MVL compliant) in Verizon space within the Customer's serving End Office. The splitters will be installed shelf-at-a-time.

In those serving End Offices where Verizon employs the use of a POT Bay for interconnection of Covad's Collocation arrangement with Verizon's network, the splitter will be installed (mounted) in a relay rack between the POT Bay and the MDF. The demarcation point is at the splitter end of the cable connecting the CLEC Collocation and the splitter. Installation of the splitter will be performed by Verizon, or, at Covad's election, by a Verizon-approved vendor designated by Covad.

In those serving End Offices where Verizon does not employ a POT Bay for interconnection of Covad's Collocation arrangement with Verizon's network, the Covad provided splitter will be installed (mounted) in a relay rack between the

Covad Collocation arrangement and the MDF. The demarcation point is at the splitter end of the cable connecting the Covad Collocation arrangement and the splitter. Installation of the splitter will be performed by Verizon, or, at Covad's election, by a Verizon-approved vendor designed by Covad.

In either scenario under Splitter Option C, Verizon will control the splitter and will direct any required activity. Where a POT Bay is employed, Verizon will also perform all POT Bay work required in this configuration. In either scenario Verizon will provide a splitter inventory to Covad upon completion of the required work.

- 4.7.1 Where a new splitter is to be installed as part of an initial Collocation implementation, the splitter installation may be ordered as part of the initial Collocation application. Associated Collocation charges (application and engineering fees) apply. Covad must submit a new Collocation application, with the application fee, to Verizon detailing its request. Except as otherwise required by Applicable Law, standard Collocation intervals will apply.
- 4.7.2 Where a new splitter is to be installed as part of an existing Collocation arrangement, or where the existing Collocation arrangement is to be augmented (e.g., with additional terminations at the POT Bay or Covad's collocation arrangement to support Line Sharing), the splitter installation or augment may be ordered via an application for Collocation augment. Associated Collocation charges (application and engineering fees) apply. Covad must submit the application for Collocation augment, with the application fee, to Verizon. Unless a longer interval is stated in Verizon's applicable Tariff, an interval of seventy-six (76) business days shall apply.

4.8 Covad will have the following options for testing shared Loops:

- 4.8.1 In serving End Offices where Verizon employs a POT Bay for interconnection of Covad Collocation arrangement with Verizon's network, the following options shall be available to Covad:
  - 4.8.1.1 Under Splitter Option A, Covad may conduct its own physical tests of the shared Loop from Covad's collocation area. If it chooses to do so, Covad may supply and install a test head to facilitate such physical tests, provided that: (a) the test head satisfies the same NEBS requirements that Verizon imposes on its own test head equipment or the test head equipment of any Verizon Affiliate; and (b) the test head does not interrupt the voice circuit to any greater degree than a conventional MLT test. Specifically, the Covad-provided test equipment may not interrupt an in-progress voice connection and must automatically restore any circuits tested in intervals comparable to MLT. This optional Covad-provided test head would be installed between the "line" port of the splitter and the POT bay in order to conduct remote physical tests of the shared loop.
  - 4.8.1.2 Under Splitter Option C, upon request by Covad, either Verizon or, at Covad's election, a Verizon-approved vendor selected by Covad will install a Covad-provided test head to enable Covad to conduct remote physical tests of the shared Loop. This optional Covad-provided test head may be installed at a point between

the "line" port of the splitter and the Verizon-provided test head that is used by Verizon to conduct its own Loop testing. The Covad-provided test head must satisfy the same NEBS requirements that Verizon imposes on its own test head equipment or the test head equipment of any Verizon Affiliate, and may not interrupt the voice circuit to any greater degree than a conventional MLT test. Specifically, the Covad-provided test equipment may not interrupt an in-progress voice connection and must automatically restore any circuits tested in intervals comparable to MLT. Verizon will inventory, control and maintain the Covad-provided test head, and will direct all required activity.

- 4.8.1.3 Under either Splitter Option, if Verizon has installed its own test head, Verizon will conduct tests of the shared Loop using a Verizon-provided test head, and, upon request, will provide these test results to Covad during normal trouble isolation procedures in accordance with reasonable procedures.
- 4.8.1.4 Under either Splitter Option, upon request by Covad, Verizon will make MLT access available to Covad via RETAS after the service order has been completed. Covad will utilize the circuit number to initiate the test.
- 4.8.1.5 Where Verizon has deployed Wideband Test equipment (i.e., Verizon –East), under either Splitter Option, upon request by Covad, Verizon shall perform a Wideband Test to diagnose troubles and provide Covad with the test results during the trouble shooting process. Charges for Wideband Testing are as set forth in Appendix A
- 4.8.2 In those end offices where Verizon has not employed a POT Bay for interconnection of Covad's Collocation arrangement with Verizon's network, Covad will not be permitted to supply its own test head. Instead, Verizon will make a testing system available to Covad through use of the on-line computer interface test system at [www.verizon.com/wise](http://www.verizon.com/wise).
- 4.8.3 The Parties will continue to work cooperatively on testing procedures. To this end, in situations where Covad has attempted to use one or more of the foregoing testing options but is still unable to resolve the error or trouble on the shared Loop, Verizon and Covad will each dispatch a technician to an agreed-upon point to conduct a joint meet test to identify and resolve the error or trouble. Verizon may assess a charge for a misdirected dispatch only if the error or trouble is determined to be one that Covad should reasonably have been able to isolate and diagnose through one of the testing options available to Covad above. The Parties will mutually agree upon the specific procedures for conducting joint meet tests.
- 4.8.4 Verizon and Covad each have a joint responsibility to educate its Customer regarding which service provider should be called for problems with their respective voice or Advanced Service offerings. Verizon will retain primary responsibility for voice band trouble tickets, including repairing analog voice grade services and the physical line between the NID at the Customer premise and the point of demarcation in the central office. Covad will be responsible for repairing advanced data services it offers over the Line Sharing arrangement. Each Party will be

responsible for maintaining its own equipment. Before either Party initiates any activity on a new shared Loop that may cause a disruption of the voice or data service of the other Party, that Party shall first make a good faith effort to notify the other Party of the possibility of a service disruption. Verizon and Covad will work together to address Customer initiated repair requests and to prevent adverse impacts to the Customer.

- 4.8.5 When Verizon provides Inside Wire maintenance services to the Customer, Verizon will only be responsible for testing and repairing the Inside Wire for voice-grade services. Verizon will not test, dispatch a technician, repair, or upgrade Inside Wire to clear trouble calls associated with Covad's Advanced Services. Verizon will not repair any CPE provided by Covad. Before a trouble ticket is issued to Verizon, Covad shall validate whether the Customer is experiencing a trouble that arises from Covad's service. If the problem reported is isolated to the analog voice grade service provided by Verizon, a trouble ticket may be issued to Verizon.
- 4.8.6 In the case of a trouble reported by the Customer on its voice-grade service, if Verizon determines the reported trouble arises from Covad's Advanced Services equipment, splitter problems, or Covad's activities, Verizon will:
  - 4.8.6.1 Notify Covad and request that Covad immediately test the trouble on Covad's Advanced Service.
  - 4.8.6.2 If the Customer's voice grade service is so degraded that the Customer cannot originate or receive voice grade calls, and Covad has not cleared its trouble within a reasonable time frame, Verizon may take unilateral steps to temporarily restore the Customer's voice grade service if Verizon determines in good faith that the cause of the voice interruption is Covad's data service.
  - 4.8.6.3 Upon completion of the steps in 4.8.6.1 and 4.8.6.2, above, Verizon may temporarily remove the Covad-provided splitter from the Customer's Loop and switch port if Verizon determines in good faith that the cause of the voice interruption is Covad's data service.
  - 4.8.6.4 Upon notification from Covad that the malfunction in Covad's advanced service has been cleared, Verizon will restore Covad's service by restoring the splitter on the Customer's Loop.
  - 4.8.6.5 Upon completion of the above steps, Covad will be charged a Trouble Isolation Charge (TIC) to recover Verizon's costs of isolating and temporarily removing the malfunctioning Advanced Service from the Customer's line if the cause of the voice interruption was Covad's data service.
  - 4.8.6.6 Verizon shall not be liable for damages of any kind for disruptions to Covad's data service that are the result of the above steps taken in good faith to restore the end user's voice-grade POTS service, and Covad shall indemnify Verizon from

any Claims that result from such steps, pursuant to Section 20 of the Terms and Conditions in this Agreement.

## 5. Line Splitting

CLECs may provide integrated voice and data services over the same Loop by engaging in "line splitting" as set forth in paragraph 18 of the FCC's Line Sharing Reconsideration Order (CC Docket Nos. 98-147, 96-98), released January 19, 2001. Any line splitting between two CLECs shall be accomplished by prior negotiated arrangement between those CLECs. To achieve a line splitting capability, CLECs may utilize existing supporting OSS to order and combine in a line splitting configuration an unbundled xDSL capable Loop terminated to a collocated splitter and DSLAM equipment provided by a participating CLEC, unbundled switching combined with shared transport, collocator-to-collocator connections, and available cross-connects, under the terms and conditions set forth in their Interconnection Agreement(s), and consistent with the procedures and other rules arising from the ongoing DSL Collaborative in the State of New York, NY PSC Case 00-C-0127, allowing for local jurisdictional and OSS differences. The participating CLECs shall provide any splitters used in a line splitting configuration. CLECs seeking to migrate existing UNE platform configurations to a line splitting configuration using the same unbundled elements utilized in the pre-existing platform arrangement may do so consistent with such implementation schedules, terms, conditions and guidelines as are agreed upon for such migrations in the ongoing DSL Collaborative in the State of New York, NY PSC Case 00-C-0127, allowing for local jurisdictional and OSS differences.

## 6. Sub-Loop

### 6.1 Sub-Loop – Distribution.

Subject to the conditions set forth in Section 1 of this Attachment and upon request by Covad, Verizon shall provide Covad with access to a Distribution Sub-Loop (as such term is hereinafter defined) in accordance with, and subject to, the terms and provisions of this Section 6 and the rates set forth in the Pricing Attachment, and the rates, terms and conditions set forth in Verizon's applicable Tariffs. A "Distribution Sub-Loop" means a two-wire or four-wire metallic distribution facility in Verizon's network between a Verizon feeder distribution interface (an "FDI") and the rate demarcation point for such facility (or network interface device ("NID") if the NID is located at such rate demarcation point). Verizon shall provide Covad with access to a Distribution Sub-Loop in accordance with, but only to the extent required by, Applicable Law, including to the extent applicable in 47 CFR § 51.319(a)(2).

- 6.1.1 Covad may request that Verizon reactivate (if available) an unused drop and NID, or provide Covad with access to a drop and NID that, at the time of Covad's request, Verizon is using to provide service to the Customer .
- 6.1.2 Covad may obtain access to a Distribution Sub-Loop at an FDI and from a Telecommunications outside plant interconnection cabinet ("TOPIC") or, if Covad is collocated at a remote terminal equipment enclosure and the FDI for such Distribution Sub-Loop is located in such enclosure, from the collocation arrangement of Covad at such terminal . To obtain access to a Distribution Sub-Loop, Covad shall install a TOPIC on an easement or Right of Way obtained by Covad within 100 feet of

the Verizon FDI to which such Distribution Sub-Loop is connected. A TOPIC must comply with applicable industry standards. Subject to the terms of applicable Verizon easements, Verizon shall furnish and place an interconnecting cable between a Verizon FDI and a Covad TOPIC and Verizon shall install a termination block within such TOPIC. Verizon shall retain title to and maintain the interconnecting cable unless otherwise agreed to by the Parties. Verizon shall not be responsible for building, maintaining or servicing the TOPIC and shall not provide any power that might be required by the CLEC for any electronics in the TOPIC. Covad shall provide any easement, Right of Way or trenching or supporting structure required for any portion of an interconnecting cable that runs beyond a Verizon easement.

- 6.1.3 Covad may request from Verizon by submitting a loop make-up engineering query to Verizon, and Verizon shall provide to Covad, the following information regarding a Distribution Sub-Loop that serves an identified Customer: the Distribution Sub-Loop's length and gauge, whether the Sub-Loop Distribution Facility has loading and bridged tap, the amount of bridged tap (if any) on the Distribution Sub-Loop Facility and the location of the FDI to which the Sub-Loop Distribution Facility is connected.
- 6.1.4 To order access to a Distribution Sub-Loop, Covad must first request that Verizon connect the Verizon FDI, or other technically feasible access point to which the Distribution Sub-Loop is connected to a Covad TOPIC. To make such a request, Covad must submit to Verizon an application (a "Distribution Sub-Loop Interconnection Application") that identifies the FDI at which Covad wishes to access the Distribution Sub-Loop. A Distribution Sub-Loop Interconnection Application shall state the location of the TOPIC, the size of the interconnecting cable and a description of the cable's supporting structure. A Distribution Sub-Loop Interconnection Application shall also include a five-year forecast of Covad's demand for access to Sub-Loop Distribution Facilities at the requested FDI. Covad must submit the application fee set forth in the Pricing Attachment (a "Sub-Loop Distribution Facility Application Fee") with a Distribution Sub-Loop Interconnection Application. Covad must submit Sub-Loop Interconnection Applications to Covad's Account Manager.
- 6.1.5 Within sixty (60) days after it receives a complete Distribution Sub-Loop Interconnection Application for access to a Distribution Sub-Loop and the Distribution Sub-Loop Application Fee for such application, Verizon shall provide to Covad a work order that describes the work that Verizon must perform to provide such access (a "Distribution Sub-Loop Work Order") and a statements of the cost of such work (a "Distribution Sub-Loop Interconnection Cost Statement").
- 6.1.6 Covad shall pay to Verizon fifty percent (50%) of the cost set forth in a Distribution Sub-Loop Interconnection Cost Statement within sixty (60) days of Covad's receipt of such statement and the associated Distribution Sub-Loop Work Order, and Verizon shall not be obligated to perform any of the work set forth in such order until Verizon has received such payment. A Distribution Sub-Loop Interconnection Application shall be deemed to have been withdrawn if Covad breaches its payment

obligation under this Section. Upon Verizon 's completion of the work that Verizon must perform to provide Covad with access to a Distribution Sub-Loop, Verizon shall bill Covad, and Covad shall pay to Verizon, the balance of the cost set forth in the Distribution Sub-Loop Interconnection Cost Statement for such access.

- 6.1.7 After Verizon has completed the installation of the interconnecting cable to a Covad TOPIC and Covad has paid the full cost of such installation, Covad can request the cross connection of Verizon Sub-Loop Distribution Facilities to the Covad TOPIC. At the same time, Covad shall advise Verizon of the services that Covad plans to provide over the Distribution Sub-Loop, request any conditioning of the Sub-Loop and assign the pairs in the interconnecting cable. Covad shall run any crosswires within the TOPIC, unless otherwise agreed to by the Parties.
- 6.1.8 If Covad requests that Verizon reactivate an unused drop and NID, then Covad shall provide dial tone if applicable (or its DSL equivalent) on the Covad side of the applicable Verizon FDI at least twenty-four (24) hours before the due date. On the due date, a Verizon technician will run the appropriate cross connection to connect the Verizon Distribution Sub-Loop to the Covad dial tone or equivalent from the TOPIC. If Covad requests that Verizon provide Covad with access to a Distribution Sub-Loop that, at the time of Covad's request, Verizon is using to provide service to a Customer, then, after Covad has looped two interconnecting pairs through the TOPIC and at least twenty four (24) hours before the due date, a Verizon technician shall crosswire the dial tone from the Verizon central office through the Verizon side of the TOPIC and back out again to the Verizon FDI and Verizon Distribution Sub-Loop using the "loop through" approach. On the due date, Covad shall disconnect Verizon's dial tone, crosswire its dial tone, if applicable, to the Distribution Sub-Loop and, if applicable, submit the Covad's long-term number portability request.
- 6.1.9 Verizon will not provide access to a Distribution Sub-Loop if Verizon is using the loop of which the Distribution Sub-Loop is a part to provide line sharing service to another CLEC or a service that uses derived channel technology to a Customer unless such other CLEC first terminates the Verizon-provided line sharing or such Customer first disconnects the service that utilizes derived channel technology.
- 6.1.10 Verizon shall provide Covad with access to a Distribution Sub-Loop in accordance with nondiscriminatory intervals which shall be at parity with intervals that Verizon provides to itself, and any Subsidiary, Affiliate, or third party.
- 6.1.11 Verizon shall repair and maintain a Distribution Sub-Loop at the request of Covad and subject to the time and material rates set forth in the Pricing Attachment, and/or the rates, terms and conditions of Verizon's applicable Tariffs. Covad accepts responsibility for initial trouble isolation for Distribution Sub-Loops, although Verizon shall cooperate to the extent necessary in any testing performed by Covad that is required. Covad shall provide Verizon with appropriate dispatch information based on its test results. If (a) Covad reports to Verizon a Customer trouble, (b) Covad requests a dispatch, (c) Verizon dispatches a technician, and (d) such trouble was not caused by Verizon Distribution Sub-Loop facilities or equipment in whole or in part, then Covad shall pay Verizon



the charge set forth in the Pricing Attachment and/or Verizon's applicable Tariffs for time associated with said dispatch. In addition, this charge also applies when the Customer contact as designated by Covad is not available at the appointed time. If as the result of Covad instructions, and not as result of Verizon's actions, Verizon is erroneously requested to dispatch to a site on Verizon company premises ("dispatch in"), a charge set forth in the Pricing Attachment and/or Verizon's applicable Tariffs will be assessed per occurrence to Covad by Verizon. If as the result of Covad instructions, Verizon is erroneously requested to dispatch to a site outside of Verizon company premises ("dispatch out"), a charge set forth in the Pricing Attachment and/or Verizon's applicable Tariffs will be assessed per occurrence to Covad by Verizon.

## 6.2 Sub-Loop – Feeder (UFSE).

Subject to the conditions set forth in Section 1 of this Agreement and upon request by Covad, Verizon shall provide Covad with access to a Feeder Sub-Loop (as such term is hereinafter defined) in accordance with, and subject to, the terms and provisions of this Section 6.2, the rates and charges provided in the Pricing Attachment and/or the rates, terms and conditions of Verizon's applicable Tariffs. A "Feeder Sub-Loop" means a DS1 or DS3 transmission path over a feeder facility in Verizon's network between a Verizon end office and either a Verizon remote terminal equipment enclosure (an "RTEE") that subtends such end office or a Verizon feeder distribution interface (such an interface, an "FDI") that subtends the end office. Verizon shall provide Covad with access to a Feeder Sub-Loop in accordance with, but only to the extent required by, Applicable Law, including to the extent applicable 47 CFR §51.319(a)(2).

6.2.1 Covad may obtain access to a Feeder Sub-Loop only from a Covad collocation arrangement in the Verizon end office where such Feeder Sub-Loop originates and Verizon shall terminate a Feeder Sub-Loop in an RTEE that subtends such end office only if Covad has a collocation arrangement in such RTEE. Upon Covad's request, Verizon will connect a Feeder Sub-Loop to a Covad collocation arrangement in the Verizon end office where the Feeder Sub-Loop originates and to either a Covad collocation arrangement in the Verizon RTEE that subtends such end office or a Telecommunications Carrier Outside Plant Cabinet (such a cabinet, a "TOPIC") located within 100 feet of the FDI that subtends the end office and that Covad has established in accordance with, and subject to the terms and provisions of, an agreement between Verizon and Covad that governs the establishment of such TOPIC. Verizon shall connect a Feeder Sub-Loop to the point of termination bay of a Covad collocation arrangement in a Verizon Central Office or to a Covad TOPIC, by installing appropriate cross connections and Verizon shall be solely responsible for installing such cross connections. Covad may obtain access to a Feeder Sub-Loop between an end office and an RTEE or an FDI only if DS1 or DS3-capable transmission facilities are available and not in use between such office and RTEE or FDI.

6.2.2 Covad shall run any crosswires within a Covad physical collocation arrangement and a Covad TOPIC and Covad will have sole responsibility for identifying to Verizon where a Feeder Sub-Loop should be connected to a Covad collocation arrangement. Covad shall be solely responsible for providing power and space for any cross connects and other

equipment that Verizon installs in a TOPIC, and Covad shall not bill Verizon, and Verizon shall not pay Covad, for providing such power and space.

- 6.2.3 Verizon shall not be obligated to provide to Covad any multiplexing at an RTEE or at a TOPIC. If Covad requests access to a Feeder Sub-Loop and a Distribution Sub-Loop that are already combined, such combination shall be deemed to be a loop and Verizon shall provide such loop to Covad in accordance with, but only to the extent required by, the terms, provisions and rates in this Agreement that govern loops, if any.
- 6.2.4 Verizon shall provide Covad with access to a Feeder Sub-Loop in accordance with negotiated intervals.
- 6.2.5 Verizon shall repair and maintain a Feeder Sub-Loop at the request of Covad and subject to the time and material rates set forth in the Pricing Attachment and/or the rates, terms and conditions of Verizon's applicable Tariffs. Covad may not rearrange, disconnect, remove or attempt to repair or maintain any Verizon equipment or facilities without the prior written consent of Verizon. Covad accepts responsibility for initial trouble isolation for Feeder Sub-Loops, although Verizon shall cooperate to the extent necessary in any testing performed by Covad that is required. Covad shall provide Verizon with appropriate dispatch information based on its test results. If (a) Covad reports to Verizon a trouble, (b) Covad requests a dispatch, (c) Verizon dispatches a technician, and (d) such trouble was not caused by Feeder Sub-Loop facilities or equipment in whole or in part, then Covad shall pay Verizon the charges set forth in Pricing Attachment and/or Verizon's applicable Tariffs for time associated with said dispatch. In addition, these charges also apply when a Covad contact as designated by Covad is not available at the appointed time. If as the result of Covad instructions, and not as result of Verizon's actions, Verizon is erroneously requested to dispatch to a site on Verizon company premises ("dispatch in"), the charges set forth in Pricing Attachment and/or Verizon's applicable Tariffs will be assessed per occurrence to Covad by Verizon. If as the result of Covad instructions, Verizon is erroneously requested to dispatch to a site outside of Verizon company premises ("dispatch out"), the charges set forth in Pricing Attachment and/or Verizon's applicable Tariffs will be assessed per occurrence to Covad by Verizon.

### 6.3 Collocation in Remote Terminals.

To the extent required by Applicable Law, Verizon shall allow Covad to collocate equipment in a Verizon remote terminal equipment enclosure in accordance with, and subject to, the rates, terms and conditions set forth in the Collocation Attachment and the Pricing Attachment.

## 7. **Inside Wire – House and Riser**

- 7.1 Subject to the conditions set forth in Section 1 of this Attachment and upon request by Covad, Verizon shall provide to Covad access to a House and Riser Cable (as such term is hereinafter defined) in accordance with, and subject to, the terms and provisions of this Section 7 and the rates set forth in the Pricing

Attachment. A "House and Riser Cable" means a two-wire or four-wire metallic distribution facility in Verizon's network between the minimum point of entry for a building where a premises of a Customer is located (such a point, an "MPOE") and the rate demarcation point for such facility (or network interface device ("NID") if the NID is located at such rate demarcation point). Verizon will provide access to a House and Riser Cable only if Verizon owns, operates, maintains and controls such facility and only where such facility is available. Verizon shall not reserve a House and Riser Cable for Covad. Covad may access a House and Riser Cable only at the MPOE for such cable. Verizon shall provide Covad with access to House and Riser Cables in accordance with, but only to the extent required by, Applicable Law, including to the extent applicable in 47 CFR § 51.319(a)(2).

Covad must satisfy the following conditions before ordering access to a House and Riser Cable from Verizon:

- 7.1.1 Covad shall locate its compatible terminal block within cross connect distance of the MPOE for such cable. A terminal block is within cross connect distance of an MPOE if it is located in the same room (not including a hallway) or within twelve (12) feet of such MPOE.
- 7.1.2 If suitable space is available, Covad shall install its terminal block no closer than within fourteen (14) inches of the MPOE for such cable, unless otherwise agreed by the Parties.
- 7.1.3 Covad's terminal block or equipment cannot be attached, otherwise affixed or adjacent to Verizon's facilities or equipment, cannot pass through or otherwise penetrate Verizon's facilities or equipment and cannot be installed so that Covad's terminal block or equipment is located in a space where Verizon plans to locate its facilities or equipment.
- 7.1.4 Covad shall identify its terminal block and equipment as a Covad facility.
- 7.2 To provide Covad with access to a House and Riser Cable, Verizon shall not be obligated to (a) move any Verizon equipment, (b) secure any Right of Way for Covad, (c) secure space for Covad in any building, (d) secure access to any portion of a building for Covad or (e) reserve space in any building for Covad.
- 7.3 Covad must ensure that its terminal block has been tested for proper installation, numbering and operation before ordering from Verizon access to a House and Riser Cable. Verizon shall perform cutover of a Customer to Covad service by means of a House and Riser Cable subject to a negotiated interval. Verizon shall install a jumper cable to connect the appropriate Verizon House and Riser Cable pair to Covad's termination block, and Verizon shall determine how to perform such installation. Covad shall coordinate with Verizon to ensure that House and Riser Cable facilities are converted to Covad in accordance with Covad's order for such services.
- 7.4 If a Covad compatible connecting block or spare termination on Covad's connecting block is not available at the time of installation, for reasons not attributed to Verizon, Verizon shall bill Covad, and Covad shall pay to Verizon, the Not Ready Charge set forth in the Pricing Attachment and the Parties shall establish a new cutover date.

- 7.5 Verizon shall perform all installation work on Verizon equipment. All Covad equipment connected to a House and Riser Cable shall comply with applicable industry standards.
- 7.6 Verizon shall repair and maintain a House and Riser Cable at the request of Covad and subject to the time and material rates set forth in the Pricing Attachment. Covad shall be solely responsible for investigating and determining the source of all troubles, although Verizon shall cooperate to the extent necessary in any testing performed by Covad that is required. Covad will provide Verizon with appropriate dispatch information based on its test results. Verizon shall repair a trouble only when the cause of the trouble is a Verizon House and Riser Cable. If (a) Covad reports to Verizon a Customer trouble, (b) Covad requests a dispatch, (c) Verizon dispatches a technician, and (d) such trouble was not caused by a Verizon House and Riser Cable in whole or in part, then Covad shall pay Verizon the charge set forth in the Pricing Attachment for time associated with said dispatch. In addition, this charge also applies when the Customer contact as designated by Covad is not available at the appointed time. If as the result of Covad instructions, and not as a result of Verizon's actions, Verizon is erroneously requested to dispatch to a site on Verizon company premises ("dispatch in"), a charge set forth in the Pricing Attachment will be assessed per occurrence to Covad by Verizon. If as the result of Covad instructions, and not as a result of Verizon's actions, Verizon is erroneously requested to dispatch to a site outside of Verizon company premises ("dispatch out"), a charge set forth in the Pricing Attachment will be assessed per occurrence to Covad by Verizon.

## **8. Dark Fiber**

- 8.1 Subject to the conditions set forth in Section 1 and upon request, Verizon shall provide Covad with access to unbundled Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF (as such terms are hereinafter defined) in accordance with, and subject to, the rates, terms and conditions provided in the Pricing Attachment and/, to the extent consistent with this Principal Document, rates, terms and conditions of Verizon's applicable Tariffs. Access to unbundled Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF will be provided by Verizon, where existing facilities are available at the requested availability date. Access to Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF will be provided in accordance with, but only to the extent required by, Applicable Law. Except as otherwise required by Applicable Law, the following terms and conditions apply to Verizon's Dark Fiber offerings.
- 8.1.1 A "Dark Fiber Loop" consists of continuous fiber optic strand(s) in a Verizon fiber optic cable between Verizon's Accessible Terminal, such as the fiber distribution frame, or its functional equivalent, located within a Verizon Wire Center, and Verizon's main termination point at a Customer premise, such as the fiber patch panel located within a Customer premise, and that has not been activated through connection to the electronics that "light" it, and render it capable of carrying Telecommunications Services.
- 8.1.2 A "Dark Fiber Sub Loop" consists of continuous fiber optic strand(s) in a Verizon fiber optic cable (a) between Verizon's Accessible Terminal located within a Verizon Wire Center, and Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure, (b) between Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure and Verizon's main termination point located within a Customer premise,

or (c) between Verizon's Accessible Terminals at Verizon remote terminal equipment enclosures, and that in all cases has not been activated through connection to electronics that "light" it and render it capable of carrying Telecommunications Services.

8.1.3 A "Dark Fiber IOF" consists of continuous fiber strand(s) that are located within a fiber optic cable between either (a) Accessible Terminals in two Verizon Central Offices or (b) an Accessible Terminal in a Verizon Central Office and a Covad Central Office, but, in either case, that has not been activated through connection to multiplexing, aggregation or other electronics that "light it" and thereby render it capable of carrying Telecommunications Services.

8.2 In addition to the other terms and conditions of this Agreement, the following terms and conditions shall apply to Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF:

8.2.1 Verizon shall be required to provide a Dark Fiber Loop only where one end of the Dark Fiber Loop terminates at a Verizon Accessible Terminal in Verizon's Central Office that can be cross-connected to Covad's collocation arrangement located in that same Verizon Central Office and the other end terminates at the Customer premise. Verizon shall be required to provide a Dark Fiber Sub-Loop only where (1) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal in Verizon's Central Office that can be cross-connected to Covad's collocation arrangement located in that same Verizon Central Office and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure, or (2) one end of the Dark Fiber Sub-Loop terminates at Verizon's main termination point located within the Customer premise and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure, or (3) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure and the other end terminates at Verizon's Accessible Terminal at another Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure. A Covad demarcation point at a Customer premise shall be established in the main telco room of the Customer premise if Verizon is located in that room or, if the building does not have a main telco room or if Verizon is not located in that room, then at a location to be determined by Verizon. A Covad demarcation point at a Customer premise shall be established at a location that is no more than 30 (unless the Parties agree otherwise in writing or as required by Applicable Law) feet from Verizon's Accessible Terminal on which the Dark Fiber Loop or Dark Fiber Sub-Loop terminates. Verizon shall connect a Dark Fiber Loop or Dark Fiber Sub-Loop to the Covad demarcation point by installing a fiber jumper no greater than 30 feet in length.

8.2.2 Covad may access a Dark Fiber Loop, a Dark Fiber Sub-Loop, or Dark Fiber IOF only at a pre-existing Verizon Accessible Terminal of such Dark Fiber Loop, Dark Fiber Sub-loop or Dark Fiber IOF, and Covad may

not access a Dark Fiber Loop, Dark Fiber Sub-loop or Dark Fiber IOF at any other point, including, but not limited to, a splice point. Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF are not available to Covad unless such Dark Fiber Loops, Dark Fiber Sub-loops or Dark Fiber IOF already terminate on a Verizon Accessible Terminal. Except where required by Applicable Law, Verizon will not introduce additional splice points or open existing splice points to accommodate Covad's request. Unused fibers located in a cable vault or a controlled environment vault, manhole or other location outside the Verizon Wire Center, and not terminated to a fiber patch, are not available to Covad.

- 8.2.3 A strand shall not be deemed to be continuous if splicing is required to provide fiber continuity between two locations. Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF will only be offered on a route-direct basis where facilities exist (i.e., no intermediate offices).
- 8.2.4 Verizon shall perform all work necessary to install (1) a cross connect or a fiber jumper from a Verizon Accessible Terminal to a Covad collocation arrangement or (2) from a Verizon Accessible Terminal to Covad's demarcation point at a Customer's premise or Covad Central Office.
- 8.2.5 A Dark Fiber Inquiry Form must be submitted prior to submitting an ASR. Upon receipt of Covad's completed Inquiry Form, Verizon will initiate a review of its cable records to determine whether Dark Fiber Loop, Dark Fiber Sub-loop or Dark Fiber IOF may be available between the locations and in the quantities specified. Verizon will respond within fifteen (15) business days from receipt of Covad's request, indicating whether Dark Fiber Loop, Dark Fiber Sub-loop or Dark Fiber IOF may be available based on the records search except that for voluminous requests or large, complex projects, Verizon reserves the right to negotiate a different interval. The Dark Fiber Inquiry is a record search and does not guarantee the availability of Dark Fiber Loops, Dark Fiber Sub-loops or Dark Fiber IOF.
- 8.2.7 Covad shall order Dark Fiber IOF, Dark Fiber Loops and Dark Fiber Sub Loops UNEs by sending to Verizon a separate ASR for each A to Z route.
- 8.2.8 Field Survey: In the former Bell Atlantic jurisdictions, if the dark fiber inquiry response indicates that fiber is available, Covad may request that Verizon perform a field survey to ensure that such fiber pairs are available (i.e., not defective and have not been used by field personnel for prior emergency restoration activity) and to perform transmission loss test(s). The test results will be documented and provided to Covad. Covad will be charged Verizon's standard time and materials rates for the field survey.
- 8.2.9 Access to Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF that terminate in a Verizon premise, must be accomplished via a collocation arrangement in that premise. In circumstances where collocation cannot be accomplished in the premises, the Parties agree to negotiate for possible alternative arrangements.
- 8.2.10 A Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF will be offered to Covad in the condition that it is available in Verizon's network at the time that Covad submits its request (i.e., "as is"). In addition,

Verizon shall not be required to convert lit fiber to a Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF for Covad's use.

- 8.2.11 Spare wavelengths on fiber strands, where Wave Division Multiplexing (WDM) or Dense Wave Division Multiplexing (DWDM) equipment is deployed, are not considered to be Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF, and, therefore, will not be offered to Covad as Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF.
- 8.2.12 Fiber that has been assigned to fulfill a Customer order or for maintenance purposes will not be offered to Covad as Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF.
- 8.2.13 Covad shall be responsible for providing all transmission, terminating and regeneration equipment necessary to light and use Dark Fiber Loops, Dark Fiber Sub-Loops, or Dark Fiber IOF.
- 8.2.14 Covad may not resell to third parties unlit Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF, purchased pursuant to this Agreement.
- 8.2.15 In order to preserve the efficiency of its network, Verizon will limit Covad to leasing up to a maximum of twenty-five percent (25%) of the Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF in any given segment of Verizon's network. In addition, except as otherwise required by Applicable Law, Verizon may take any of the following actions, notwithstanding anything to the contrary in this Agreement:
  - 8.2.15.1 Revoke Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF leased to Covad upon a showing of need to the Commission and twelve (12) months' advance written notice to Covad; and
  - 8.2.15.2 Revoke Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF leased to Covad upon a Commission finding that Covad underutilized fiber within any twelve (12) month period;
  - 8.2.15.3 Verizon reserves and shall not waive, Verizon's right to claim before the Commission that Verizon should not have to fulfill a Covad order for Dark Fiber Loops, Dark Fiber Sub-Loops, or Dark Fiber IOF because that request would strand an unreasonable amount of fiber capacity, disrupt or degrade service to Customers or carriers other than Covad, or impair Verizon's ability to meet a legal obligation.
- 8.2.16 Covad may not reserve Dark Fiber Loops, Dark Fiber Sub-Loops, or Dark Fiber IOF.
- 8.2.17 Covad shall be solely responsible for: (a) determining whether or not the transmission characteristics of the Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF accommodate the requirements of Covad, based upon Covad's service requirements, any testing by Covad, and potentially upon information about the facilities that may be provided by Verizon pursuant to a field survey that Covad may request; (b) obtaining any Rights of Way, governmental or private property permit, easement or other authorization or approval required for access to the Dark Fiber

Loop, Dark Fiber Sub-Loop or Dark Fiber IOF; (c) installation of fiber optic transmission equipment needed to power the Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF to transmit Telecommunications Services traffic; (d) installation of a demarcation point in a building where a Customer is located; and (e) Covad's collocation arrangements with any proper optical cross connects or other equipment that Covad needs to access Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF before it submits an order for such access. Covad hereby represents and warrants that it shall have all such rights of way, authorizations and the like applicable to the geographic location at which it wishes to establish a demarcation point for dark fiber, on or before the date that Covad places an order for the applicable dark fiber, and that it shall maintain the same going forward.

- 8.2.18 Covad is responsible for trouble isolation before reporting trouble to Verizon. In the event that Verizon must perform emergency cable restoration to its facilities, reasonable efforts will be made to restore Covad's leased Dark Fiber Loops, Dark Fiber Sub-Loops and Dark Fiber IOF in the same manner as other fibers in the same cable sheath using Verizon's standard restoration procedures. Verizon shall use the same methods, procedures, and practices to maintain Covad's fibers as it does for its own fibers. If an entire ribbon degrades and Verizon would, in the ordinary course of business, repair the fiber, then Verizon will repair all of the strands in the ribbon, regardless of whether the fibers are being used by Covad or by Verizon. A dark fiber cable consists of multiple ribbons, which each contain individual fibers.

Covad is responsible for all work activities at the Customer premises. Except as otherwise required by Applicable Law, all negotiations with the premises owner are solely the responsibility of Covad.

- 8.2.19 Acceptance Testing: In the former Bell Atlantic jurisdictions, after a dark fiber circuit is provisioned, Covad may request testing of the dark fiber circuit to determine actual transmission characteristics. Covad will be charged Verizon's standard time and materials rates for the testing. If Covad subsequently determines that the dark fiber circuit provided by Verizon is not suitable, it must submit a request to disconnect the dark fiber circuit.

## **9. Network Interface Device**

- 9.1 Subject to the conditions set forth in Section 1 and at Covad's request, Verizon shall permit Covad to connect a Covad Loop to the Inside Wiring of a Customer through the use of a Verizon Network Interface Device (NID) in accordance with Section 9 and the rates and charges provided in the Pricing Attachment. Verizon shall provide Covad with access to NIDs in accordance with, but only to the extent required by, Applicable Law. Covad may access a Verizon NID either by means of a connection (but only if the use of such connection is technically feasible) from an adjoining Covad NID deployed by Covad or, if an entrance module is available in the Verizon NID, by connecting a Covad Loop to the Verizon NID. In all cases, Verizon shall perform this connection. When necessary, Verizon will rearrange its facilities to provide access to an existing Customer's Inside Wire. An entrance module is available only if facilities are not connected to it.



- 9.2 Unless otherwise agreed to by the Parties in writing, Covad shall not access, remove, disconnect or in any other way rearrange, Verizon's Loop facilities from Verizon's NIDs, enclosures, or protectors.
- 9.3 Unless otherwise agreed to by the Parties in writing, Covad shall not access, remove, disconnect or in any other way rearrange, a Customer's Inside Wire from Verizon's NIDs, enclosures, or protectors where such Customer Inside Wire is used in the provision of ongoing Telecommunications Service to that Customer.
- 9.4 Unless otherwise agreed to by the Parties in writing, Covad shall not remove or disconnect ground wires from Verizon's NIDs, enclosures, or protectors.
- 9.5 Unless otherwise agreed to by the Parties in writing, Covad shall not remove or disconnect NID modules, protectors, or terminals from Verizon's NID enclosures.
- 9.6 Maintenance and control of premises Inside Wiring is the responsibility of the Customer. Any conflicts between service providers for access to the Customer's Inside Wire must be resolved by the person who controls use of the wire (e.g., the Customer).
- 9.7 When Covad is connecting a Covad-provided Loop to the Inside Wiring of a Customer's premises through the Customer's side of the Verizon NID, Covad does not need to submit a request to Verizon and Verizon shall not charge Covad for access to the Verizon NID. In such instances, Covad shall comply with the provisions of Sections 9.2 through 9.7 of this Attachment and shall access the Customer's Inside Wire in the manner set forth in Section 9.8 of this Attachment.
- 9.8 Due to the wide variety of NIDs utilized by Verizon (based on Customer size and environmental considerations), Covad may access the Customer's Inside Wire, acting as the agent of the Customer by any of the following means:
- 9.8.1 Where an adequate length of Inside Wire is not present or environmental conditions do not permit, Covad may remove the Inside Wiring from the Customer's side of the Verizon NID and connect that Inside Wiring to Covad's NID.
- 9.8.2 Where an adequate length of Inside Wiring is not present or environmental conditions do not permit, Covad may enter the Customer side of the Verizon NID enclosure for the purpose of removing the Inside Wiring from the terminals of Verizon's NID and connecting a connectorized or spliced jumper wire from a suitable "punch out" hole of such NID enclosure to the Inside Wiring within the space of the Customer side of the Verizon NID. Such connection shall be electrically insulated and shall not make any contact with the connection points or terminals within the Customer side of the Verizon NID.
- 9.8.3 Covad may request Verizon to make other rearrangements to the Inside Wire terminations or terminal enclosure on a time and

materials cost basis to be charged to the requesting party (i.e. Covad, its agent, the building owner or the Customer). If Covad accesses the Customer's Inside Wire as described in this Section 9.8.3 time and materials charges will be billed to the requesting party (i.e. Covad, its agent, the building owner or the Customer).

## **10. Unbundled Switching Elements**

10.1 Verizon will offer unbundled packet switching to the extent required by Applicable Law.

## **11. Unbundled Interoffice Facilities**

Subject to the conditions set forth in Section 1 of this Attachment, where facilities are available, at Covad's request, Verizon shall provide Covad with interoffice facilities (IOF) unbundled from other Network Elements at the rates set forth in the Pricing Attachment; provided, however, that Verizon shall offer unbundled shared IOF only to the extent that Covad also purchases from Verizon unbundled packet switching or unbundled Local Switching capability (if rates, terms and conditions for Local Switching are available to Covad either via tariff or in this Principal Document). Verizon shall provide Covad with such IOF in accordance with, but only to the extent required by, Applicable Law.

11.1 Verizon shall provide unbundled IOF with geographically-diverse routing and protection switching, where those functionalities are available.

## **12. Operations Support Systems**

Subject to the conditions set forth in the Additional Services Attachment, and consistent with Applicable Law, Verizon shall provide Covad with access via electronic interfaces to databases required for pre-ordering, ordering, provisioning, maintenance and repair, and billing. All such transactions shall be submitted by Covad through such electronic interfaces.

## **13. Availability of Other UNEs on an Unbundled Basis**

13.1 Any request by Covad for access to a Verizon Network Element that is not already available and that Verizon is required by Applicable Law to provide on an unbundled basis shall be treated as a Network Element Bona Fide Request pursuant to Section 13.3, below. Covad shall provide Verizon access to its Network Elements as mutually agreed by the Parties or as required by Applicable Law.

13.2 Notwithstanding anything to the contrary in this Section 13, a Party shall not be required to provide a proprietary Network Element to the other Party under this Section 13 except as required by Applicable Law.

13.3 Network Element Bona Fide Request (BFR).

13.3.1 Each Party shall promptly consider and analyze access to a new unbundled Network Element in response to the submission of a Network Element Bona Fide Request by the other Party hereunder. The Network Element Bona Fide Request process set forth herein does not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (rel. Oct. 19, 1992) ¶¶ 259 and n.603 or

subsequent orders.

- 13.3.2 A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element.
- 13.3.3 The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.
- 13.3.4 Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.
- 13.3.5 Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided by Applicable Law.
- 13.3.6 If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and access to the Network Element is required to be provided by Applicable Law, it shall promptly proceed with developing the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals. Unless the Parties otherwise agree, the Network Element requested must be priced in accordance with Section 252(d)(1) of the Act.
- 13.3.7 As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates, and the installation intervals.
- 13.3.8 Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.
- 13.3.9 If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, or is failing to act in accordance with Section 251 of the Act, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

#### **14. Maintenance of UNEs**

If (a) Covad reports to Verizon a Customer trouble, (b) Covad requests a dispatch, (c) Verizon dispatches a technician, and (d) such trouble was not caused by Verizon's facilities or equipment in whole or in part, and not as the result of Verizon's actions, then Covad shall pay Verizon a charge set forth in the Pricing Attachment for time associated with said dispatch. In addition, this charge also applies when the Customer contact as designated by Covad is not available at the appointed time, so long as Verizon did not cause the Customer contact to be unavailable. Covad accepts responsibility for initial trouble isolation and providing Verizon with appropriate dispatch information based on its test results. If, as the result of Covad instructions, and not as the result of Verizon's actions, Verizon is erroneously requested to dispatch to a site on Verizon company premises ("dispatch in"), a charge set forth in the Pricing Attachment will be assessed per occurrence to Covad by Verizon. However, if Verizon assesses any charges on Covad under this Section and the same trouble recurs and the cause in both instances is determined to be Verizon's facilities then Covad may seek refund of all charges applicable to that trouble that were erroneously levied, and Verizon shall refund all such charges. If as the result of Covad instructions, and not as the result of Verizon's action, Verizon is erroneously requested to dispatch to a site outside of Verizon company premises ("dispatch out"), a charge set forth in the Pricing Attachment will be assessed per occurrence to Covad by Verizon. Verizon agrees to respond to Covad trouble reports on a non-discriminatory basis consistent with the manner in which it provides service to its own retail Customers, its affiliates or third party Telecommunications Carrier.

**15. Rates and Charges**

The rates and charges for the foregoing UNEs and other services shall be as set forth in this Attachment and the Pricing Attachment.

**16. Combinations**

16.1 Subject to the conditions set forth in Section 1, Verizon shall be obligated to provide access to a combination of Network Elements (a "Combination") only to the extent provision of such Combination is required by Applicable Law. To the extent Verizon is required by Applicable Law to provide a Combination to Covad, Verizon shall provide such Combination in accordance with, and subject to, requirements established by Verizon that are consistent with Applicable Law (such requirements, hereinafter the "Combo Requirements"). Verizon shall make the Combo Requirements publicly available in an electronic form.

## COLLOCATION ATTACHMENT

### 1. Verizon's Provision of Collocation

Verizon shall provide to Covad, in accordance with this Agreement (including, but not limited to, Verizon's applicable Tariffs) and the requirements of Applicable Law, Collocation for the purpose of facilitating Covad's interconnection with facilities or services of Verizon or access to Unbundled Network Elements of Verizon; provided, that notwithstanding any other provision of this Agreement, Verizon shall be obligated to provide Collocation to Covad only to the extent required by Applicable Law and may decline to provide Collocation to Covad to the extent that provision of Collocation is not required by Applicable Law. Subject to the foregoing, Verizon shall provide Collocation to Covad in accordance with the rates, terms and conditions set forth in Verizon's effective Collocation tariff, titled "Facilities for Intrastate Access," Section 19..

### 2 Covad's Provision of Collocation

Upon request by Verizon, Covad shall provide to Verizon collocation of facilities and equipment for the purpose of facilitating Verizon's interconnection with facilities or services of Covad. Covad shall provide collocation on a non-discriminatory basis in accordance with Covad's applicable Tariffs, or in the absence of applicable Covad Tariffs, in accordance with terms, conditions and prices to be negotiated by the Parties.

## 911 ATTACHMENT

### 1. 911/E-911 Arrangements

- 1.1 Covad may, at its option, interconnect to the Verizon 911/E-911 Selective Router or 911 Tandem Offices, as appropriate, that serve the areas in which Covad provides Telephone Exchange Services, for the provision of 911/E-911 services and for access to all subtending Public Safety Answering Points ("PSAP"). In such situations, Verizon will provide Covad with the appropriate CLLI codes and specifications of the Tandem Office serving area. In areas where E-911 is not available, Covad and Verizon will negotiate arrangements to connect Covad to the 911 service in accordance with applicable state law.
- 1.2 Path and route diverse Interconnections for 911/E-911 shall be made at the Covad-IP, the Verizon-IP, or other points as necessary and mutually agreed, and as required by law or regulation.
- 1.3 Within thirty (30) days of its receipt of a complete and accurate request from Covad, to include all required information and applicable forms, and to the extent authorized by the relevant federal, state, and local authorities, Verizon will provide Covad, where Verizon offers 911 service, with the following at a reasonable fee, if applicable:
  - 1.3.1 a file via electronic medium containing the Master Street Address Guide ("MSAG") for each county within the LATA(s) where Covad is providing, or represents to Verizon that it intends to provide within sixty (60) days of CLEC(s) request, local exchange service, which MSAG shall be updated as the need arises and a complete copy of which shall be made available on an annual basis.
  - 1.3.2 a list of the address and CLLI code of each 911/E-911 selective router or 911 Tandem office(s) in the area in which Covad plans to offer Telephone Exchange Service;
  - 1.3.3 a list of geographical areas, e.g., LATAs, counties or municipalities, with the associated 911 tandems, as applicable.
  - 1.3.4 a list of Verizon personnel who currently have responsibility for 911/E-911 requirements, including a list of escalation contacts should the primary contacts be unavailable.
  - 1.3.5 any special 911 trunking requirements for each 911/E-911 selective router or 911 Tandem Office, where available, and;
  - 1.3.6 prompt return of any Covad 911/E-911 data entry files containing errors, so that Covad may ensure the accuracy of the Customer records.

### 2. Electronic Interface

Covad shall use, where available, the appropriate Verizon electronic interface, through which Covad shall input and provide a daily update of 911/E-911 database information related to appropriate Covad Customers. In those areas where an electronic interface is not available, Covad shall provide Verizon with all appropriate 911/E-911 information such as name, address, and telephone number via facsimile for Verizon's entry into the 911/E-911 database system. Any 911/E-911-related data exchanged between the Parties prior to the availability of an electronic interface shall conform to Verizon

standards, whereas 911/E-911-related data exchanged electronically shall conform to the National Emergency Number Association standards ("NENA"). Covad may also use the electronic interface, where available, to query the 911/E-911 database to verify the accuracy of Covad Customer information.

**3. 911 Interconnection**

Verizon and Covad will use commercially reasonable efforts to facilitate the prompt, robust, reliable and efficient interconnection of Covad systems to the 911/E-911 platforms and/or systems.

**4. 911 Facilities**

Covad shall be responsible for providing facilities from the Covad End Office to the 911 Tandem or selective router. Covad shall deploy diverse routing of 911 trunk pairs to the 911 tandem or selective router.

**5. Local Number Portability for use with 911**

The Parties acknowledge that until Local Number Portability ("LNP") with full 911/E-911 compatibility is utilized for all ported telephone numbers, the use of Interim Number Portability ("INP") creates a special need to have the Automatic Location Identification ("ALI") screen reflect two numbers: the "old" number and the "new" number assigned by Covad. Therefore, for those ported telephone numbers using INP, Covad will provide the 911/E-911 database with both the forwarded number and the directory number, as well as all other required information including the appropriate address information for the customer for entry into the 911/E-911 database system. Further, Covad will outpulse the telephone number to which the call has been forwarded (that is, the Customer's ANI) to the 911 Tandem office or selective router. Covad will include their NENA five character Company Identification ("COID") for inclusion in the ALI display.

5.1 Covad is required to enter data into the 911/E-911 database under the NENA Standards for LNP. This includes, but is not limited to, using Covad's NENA COID to lock and unlock records and the posting of Covad's NENA COID to the ALI record where such locking and migrating feature for 911/E-911 records are available or as defined by local standards.

**6. PSAP Coordination**

Verizon and Covad will work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs, or county or municipal coordinators may have regarding the 911/E-911 arrangements.

**7. 911 Compensation**

Covad will compensate Verizon for connections to its 911/E-911 platform and/or system pursuant to the rate schedule included in this attachment.

**8. 911 Rules and Regulations**

Covad and Verizon will comply with all applicable rules and regulations (including 911 taxes and surcharges as defined by local requirements) pertaining to the provision of 911/E-911 services in Florida

## PRICING ATTACHMENT

### 1. General

- 1.1 As used in this Attachment, the term "Charges" means the rates, fees, charges and prices for a Service.
- 1.2 Except as stated in Section 2 or Section 3, below, Charges for Services shall be as stated in this Section 1.
- 1.3 The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff.
- 1.4 In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.
- 1.5 The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.
- 1.6 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.5, if Charges for a Service are otherwise expressly provided for in this Agreement, such Charges shall apply.
- 1.7 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.6, the Charges for the Service shall be the Providing Party's FCC or Commission approved Charges.
- 1.8 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.7, the Charges for the Service shall be mutually agreed to by the Parties in writing.

### 2. Verizon Telecommunications Services Provided to Covad Pursuant to the Resale Attachment

- 1.8 Verizon Telecommunications Services for which Verizon is Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.
  - 2.1.1 The Charges for a Verizon Telecommunications Service purchased by Covad for resale for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Retail Price for such Service set forth in Verizon's applicable Tariffs (or, if there is no Tariff Retail Price for such Service, Verizon's Retail Price for the Service that is generally offered to Verizon's Customers), less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon



Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable wholesale discount stated in Appendix A for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act.

- 2.1.2 The Charges for a Verizon Telecommunications Service Customer Specific Arrangement ("CSA") purchased by Covad for resale pursuant to Section 3.3 of the Resale Attachment for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Retail Price for the CSA, less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable discount stated in Appendix A for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act. Notwithstanding the foregoing, in accordance with, and to the extent permitted by Applicable Law, Verizon may establish a wholesale discount for a CSA that differs from the wholesale discount that is generally applicable to Telecommunications Services provided to Covad for resale pursuant to Section 251(c)(4) of the Act.
- 2.1.3 Notwithstanding Sections 0.1.8 and 2.2 of this Attachment, in accordance with, and to the extent permitted by Applicable Law, Verizon may at any time establish a wholesale discount for a Telecommunications Service (including, but not limited to, a CSA) that differs from the wholesale discount that is generally applicable to Telecommunications Services provided to Covad for resale pursuant to Section 251(c)(4) of the Act.
- 2.1.4 The wholesale discount stated in Appendix A shall be automatically superseded by any new wholesale discount when such new wholesale discount is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC, provided such new wholesale discount is not subject to a stay issued by any court of competent jurisdiction.
- 2.1.5 The wholesale discount provided for in Sections 2.1.1 through 2.1.3 of this Attachment shall not be applied to:
  - 2.1.5.1 Short term promotions as defined in 47 CFR § 51.613;
  - 2.1.5.2 Except as otherwise provided by Applicable Law, Exchange Access services;
  - 2.1.5.3 Subscriber Line Charges, Federal Line Cost Charges, end user common line Charges, taxes, and government Charges and assessment (including, but not limited to, 9-1-1 Charges and Dual Party Relay Service Charges).
  - 2.1.5.4 Any other service or Charge that the Commission, the FCC, or other governmental entity of appropriate jurisdiction determines is not subject to a wholesale discount under Section 251(c)(4) of

the Act.

2.2 Verizon Telecommunications Services for which Verizon is Not Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.

2.2.1 The Charges for a Verizon Telecommunications Service for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges stated in Verizon's Tariffs for such Verizon Telecommunications Service (or, if there are no Verizon Tariff Charges for such Service, Verizon's Charges for the Service that are generally offered by Verizon).

2.2.2 The Charges for a Verizon Telecommunications Service customer specific contract service arrangement ("CSA") purchased by Covad pursuant to Section 3.3 of the Resale Attachment for which Verizon is not required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Charges provided for in the CSA and any other Charges that Verizon could bill the person to whom the CSA was originally provided (including, but not limited to, applicable Verizon Tariff Charges).

2.3 Other Charges.

2.3.1 Covad shall pay, or collect and remit to Verizon, without discount, all Subscriber Line Charges, Federal Line Cost Charges, and end user common line Charges, associated with Verizon Telecommunications Services provided by Verizon to Covad.

2.3.2 Notwithstanding any other provision of this Agreement or any Tariff: (a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC regulations.

**3. Covad Prices**

Notwithstanding any other provision of this Agreement, the Charges that Covad bills Verizon for Covad's Services shall not exceed the Charges for Verizon's comparable Services, except to the extent the Covad has demonstrated to Verizon, or, at Verizon's request, to the Commission or the FCC, that Covad's cost to provide such Covad Services to Verizon exceeds the Charges for Verizon's comparable Services. This provision covers only those services provided by Covad to Verizon under this Agreement.

**4. Regulatory Review of Prices**

Notwithstanding any other provision of this Agreement, each Party reserves its respective rights to institute an appropriate proceeding with the FCC, the Commission or other governmental body of appropriate jurisdiction: (a) with regard to the Charges for its Services (including, but not limited to, a proceeding to change the Charges for its services, whether provided for in any of its Tariffs, in Appendix A, or otherwise); and (b) with regard to the Charges of the other Party (including, but not limited to, a proceeding

to obtain a reduction in such Charges and a refund of any amounts paid in excess of any Charges that are reduced).

## APPENDIX A TO THE PRICING ATTACHMENT <sup>1</sup>

### Rates and Charges for Transportation and Termination of Traffic<sup>2</sup>

*The Reciprocal Compensation Traffic Termination rate element that applies to Reciprocal Compensation Traffic on a minute of use basis for traffic that is delivered to an End Office is*  
**\$0.0026691.**

*The Reciprocal Compensation Traffic Termination rate element that applies to Reciprocal Compensation Traffic on a minute of use basis for traffic that is delivered to Tandem Switch is*  
**\$0.0046275.**

*The Tandem Transiting Charge is*  
**\$0.00117177**

*Entrance Facility Charge:*  
**See Intrastate Access Tariff**

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<sup>1</sup> Certain of the rates and charges set forth within, as indicated by a "diamond" (◆), are arbitrated rates taken from the previously arbitrated Interconnection, Resale and Unbundling Agreement between GTE and AT&T Communications, which was approved by the Commission in an Order dated January 17, 1997, in Docket Nos. 960847-TP, 960980-TP, and Order PSC-97-0064-FOF-TP. Verizon has agreed to use and to incorporate herein such arbitrated rates subject to the following: The Parties expressly agree (1) that such arbitrated rates shall not be deemed to have been voluntarily negotiated by the Parties and such arbitrated rates are not subject to interstate MFN obligations under Appendix D, Sections 31 and 32, of the Merger Order, as set forth more fully in Section 37.2 of the General Terms and Conditions; and (2) that, if applicable, for purposes of calculating Reciprocal Compensation Traffic, the arbitrated rates shall not apply to Internet Traffic, as set forth more fully in Section 7.3.2 of the Interconnection Attachment. The foregoing shall not, in any way, limit any other term, condition, limitation or reservation of right in the Agreement that applies to rates, including, but not limited to, Section 37 of the General Terms and Conditions. The Parties further agree that the Commission's Order in Docket Nos. 960847-TP and 960980-TP, and Order PSC-97-0064-FOF-TP to the extent such Order established the arbitrated rates, shall be deemed an "arbitration decision associated with this Agreement" under Section 37.1 of the General Terms and Conditions

<sup>2</sup> All rates and charges specified herein are pertaining to the Interconnection Attachment

Services Available for Resale

The avoided cost discount for all Resale services is 13.04%

**Non-Recurring Charges (NRCs) for Resale Services**

Pre-ordering

CLEC Account Establishment Per CLEC	\$273.09
Customer Record Search Per Account	\$ 11.69

Ordering and Provisioning

Engineered Initial Service Order (ISO) - New Service	\$311.98
Engineered Initial Service Order - As Specified	\$123.84
Engineered Subsequent Service Order	\$ 59.61
Non-Engineered Initial Service Order - New Service	\$ 42.50
Non-Engineered Initial Service Order - Changeover	\$ 21.62
Non-Engineered Initial Service Order - As Specified	\$ 82.13
Non-Engineered Subsequent Service Order	\$ 19.55
Central Office Connect	\$ 12.21
Outside Facility Connect	\$ 68.30
Manual Ordering Charge	\$ 12.17

Product Specific

NRCs, other than those for Pre-ordering, Ordering and Provisioning, and Custom Handling as listed in this Appendix, will be charged from the appropriate retail tariff. No discount applies to such NRCs.

Custom Handling

Service Order Expedite:

Engineered	\$ 35.48
Non-Engineered	\$ 12.59

Coordinated Conversions:

ISO	\$ 17.76
Central Office Connection	\$ 10.71
Outside Facility Connection	\$ 9.59

Hot Coordinated Conversion First Hour:

ISO	\$ 30.55
Central Office Connection	\$ 42.83
Outside Facility Connection	\$ 38.34

Hot Coordinated Conversion per Additional Quarter Hour:

ISO	\$ 6.40
Central Office Connection	\$ 10.71
Outside Facility Connection	\$ 9.59

## Application of NRCs

### Pre-ordering:

CLEC Account Establishment is a one-time charge applied the first time that \*\*\*CLEC Acronym TXT\*\*\* orders any service from this Agreement.

Customer Record Search applies when \*\*\*CLEC Acronym TXT\*\*\* requests a summary of the services currently subscribed to by the end-user.

### Ordering and Provisioning:

Engineered Initial Service Order - New Service applies per Local Service Request (LSR) when engineering work activity is required to complete the order, e.g. digital loops.

Non-Engineered Initial Service Order - New Service applies per LSR when no engineering work activity is required to complete the order, e.g. analog loops.

Initial Service Order - As Specified (Engineered or Non-Engineered) applies only to Complex Services for services migrating from Verizon to \*\*\*CLEC Acronym TXT\*\*\*. Complex Services are services that require a data gathering form or has special instructions.

Non-Engineered Initial Service Order - Changeover applies only to Basic Services for services migrating from Verizon to \*\*\*CLEC Acronym TXT\*\*\*. End-user service may remain the same or change.

Central Office Connect applies in addition to the ISO when physical installation is required at the central office.

Outside Facility Connect applies in addition to the ISO when incremental field work is required.

Manual Ordering Charge applies to orders that require Verizon to manually enter \*\*\*CLEC Acronym TXT\*\*\*'s order into Verizon's Secure Integrated Gateway System (SIGS), e.g. faxed orders and orders sent via physical or electronic mail.

### Custom Handling (These NRCs are in addition to any Preordering or Ordering and Provisioning NRCs):

Service Order Expedite (Engineered or Non-Engineered) applies if \*\*\*CLEC Acronym TXT\*\*\* requests service prior to the standard due date intervals.

Coordinated Conversion applies if \*\*\*CLEC Acronym TXT\*\*\* requests notification and coordination of service cut over prior to the service becoming effective.

Hot Coordinated Conversion First Hour applies if \*\*\*CLEC Acronym TXT\*\*\* requests real-time coordination of a service cut-over that takes one hour or less.

Hot Coordinated Conversion Per Additional Quarter Hour applies, in addition to the Hot Coordinated Conversion First Hour, for every 15-minute segment of real-time coordination of a service cut-over that takes more than one hour.

Prices for Unbundled Network Elements

**Monthly Recurring Charges**

**Local Loop**

2 Wire Analog Loop (inclusive of NID)		
Zone 1 – High	\$	16.41
Zone 2 – Medium	\$	23.33
Zone 3 – Low	\$	40.41
4 Wire Analog Loop (inclusive of NID)		
Zone 1 – High	\$	20.52
Zone 2 – Medium	\$	29.17
Zone 3 – Low	\$	50.51
2 Wire Digital Loop (inclusive of NID)		
Zone 1 – High	\$	16.41
Zone 2 – Medium	\$	23.33
Zone 3 – Low	\$	40.41
4 Wire Digital Loop (inclusive of NID)		
Zone 1 – High	\$	20.52
Zone 2 – Medium	\$	29.17
Zone 3 – Low	\$	50.51
DS-1 Loop	\$	124.40
DS-3 Loop	\$	1051.26
Supplemental Features:		
ISDN-BRI Line Loop Extender	\$	6.92
DS1 Clear Channel Capability	\$	16.00

**Sub-Loop**

2-Wire Feeder	\$	3.00 ♦
2-Wire Distribution	\$	7.50 ♦
4-Wire Feeder	\$	32.51
4-Wire Distribution	\$	32.64
2-Wire Drop	\$	2.73
4-Wire Drop	\$	3.14
Inside Wire		BFR

**Network Interface Device (leased separately)**

Basic NID:	\$	1.45 ♦
Complex (12 x) NID	\$	2.10 ♦

## Switching

Port	
Basic Analog Line Side Port	\$ 4.75 ♦
Coin Line Side Port	\$ 6.89
ISDN BRI Digital Line Side Port	\$ 12.87
DS-1 Digital Trunk Side Port	\$ 71.16
ISDN PRI Digital Trunk Side Port	\$ 248.30
Usage Charges (must purchase Port)	
Local Central Office Switching (Overall Average MOU)	\$ 0.002903
Common Shared Transport	
Transport Facility (Average MOU/ALM)	\$ 0.000001
Transport Termination (Average MOU/Term)	\$ 0.000103
Tandem Switching (Average MOU)	\$ 0.001892
Terminating to Originating Ratio	1.00

## Dedicated Transport Facilities

CLEC Dedicated Transport	
CDT 2 Wire	\$ 23.00
CDT 4 Wire	\$ 33.00
CDT DS1	
First System	\$ 135.00 ♦
Additional System	\$ 125.00 ♦
CDT DS3 Optical Interface	\$ 937.50
CDT DS3 Electrical Interface	\$ 960.00 ♦
Interoffice Dedicated Transport	
IDT DS0 Transport Facility per ALM	\$ .02
IDT DS0 Transport Termination	\$ 12.49
IDT DS1 Transport Facility per ALM	\$ .39
IDT DS1 Transport Termination	\$ 25.78
IDT DS3 Transport Facility per ALM	\$ 4.44
IDT DS3 Transport Termination	\$ 133.29
Multiplexing	
DS1 to Voice Multiplexing	\$ 187.86
DS3 to DS1 Multiplexing	\$ 305.00 ♦
DS1 Clear Channel Capability	\$ 16.00

## Unbundled Dark Fiber

Unbundled Dark Fiber Loops/Sub-Loops	
Dark Fiber Loop	\$ 67.13
Dark Fiber Sub-Loop – Feeder	\$ 53.17
Dark Fiber Sub-Loop – Distribution	\$ 13.96
Unbundled Dark Fiber Dedicated Transport	
Dark Fiber IDT –Facility	\$ 24.80
Dark Fiber IDT –Termination	\$ 6.34



## **UNE-P Pricing**

MRCs. The MRC for a UNE-P will generally be equal to the sum of the MRCs for the combined UNEs (e.g. the total of the UNE loop charge plus the UNE port charges in the Agreement (see Note A) plus: UNE local switching (per minute originating usage plus T/O factor to determine terminating minutes) based on UNE local switching rates in the Agreement plus UNE shared transport and tandem switching (based on factors for percent interoffice and tandem switch usage, plus assumed transport mileage of 10 miles and 2 terms) based on UNE shared transport rates in the Agreement plus UNE Vertical Services charges (optional per line charges, if allowed by the Agreement).

(Note A): UNE platforms are available in four loop/port configurations as shown below. If the price for any component of these platforms is not set forth herein, Verizon will use the ICB process to determine the appropriate price and TBD pricing shall apply.

UNE Basic Analog Voice Grade Platform consists of the following components:

UNE 2-wire Analog loop; and  
UNE Basic Analog Line Side port

UNE ISDN BRI Platform consists of the following components:

UNE 2-wire Digital loop; and  
UNE ISDN BRI Digital Line Side port

UNE ISDN PRI Platform consists of the following components:

UNE DS1 loop; and  
UNE ISDN PRI Digital Trunk Side port

UNE DS1 Platform consists of the following components:

UNE DS1 loop; and  
UNE DS1 Digital Trunk Side port

## EEL Pricing

MRCs. The MRCs for an EEL will generally be equal to the applicable MRCs for UNEs and Multiplexing that comprise an EEL arrangement (e.g. UNE Loop, IDT, CDT, Multiplexing, & Clear Channel Capability).

## NRCs.

Optional NRCs will apply as ordered by the CLEC including such charges as Expedites, Coordinated Conversions, loop Conditioning, etc.

Operator Services and Directory Assistance Services (OS/DA). If \*\*\*CLEC Acronym TXT\*\*\* does not initially utilize available customized routing services to re-route OS/DA calls to its own or another party's operator services platform, Verizon will bill the CLEC for OS/DA calls at a market-based ICB rate pending \*\*\*CLEC Acronym TXT\*\*\*'s completion of a separate OS/DA agreement.

**NON-RECURRING CHARGES – LOOP AND PORT**

Service Ordering (Loop or Port)		
Initial Service Order, per order	\$	47.25◆
Transfer of Service Charge, per order	\$	16.00◆
Subsequent Service Order, per order	\$	24.00◆
Installation		
Unbundled Loop, per loop	\$	10.50◆
Unbundled Port, per port	\$	10.50◆
Loop Facility Charge, per order (See Note 1)	\$	62.50◆
Customer Service Record Search	\$	4.21

**CUSTOM HANDLING**

Coordinated Conversions:

ISO	\$	18.69
Central Office Connection	\$	9.43
Outside Facility Connection	\$	8.09

Hot Coordinated Conversions First Hour:

ISO	\$	23.91
Central Office Connection	\$	37.72
Outside Facility Connection	\$	32.36

Hot Coordinated Conversions per Additional Quarter Hour:

ISO	\$	4.88
Central Office Connection	\$	9.43
Outside Facility Connection	\$	8.37

Note 1: The Loop Facility Charge will apply when field work is required for establishment of a new unbundled loop service.

**NON-RECURRING CHARGES - OTHER UNE's**

LOCAL WHOLESALE SERVICES	Ordering Fee	Ordering Fee	Provisioning Fee	Admin Fee
	(\$)	(\$)	(\$)	(\$)
<b>UNBUNDLED NID</b>				
Exchange - Basic	\$ 56.08	\$ 43.74	\$ 1.97	N/A
<b>SUB-LOOP</b>				
Exchange - FDI Feeder Interconnection - Initial	\$ 36.32	\$ 26.88	\$ 46.20	\$ 24.97
Exchange - FDI Feeder Interconnection - Subsequent	\$ 15.01	\$ 11.83	\$ 16.99	\$ 7.22
Exchange - FDI Distribution Interconnection - Initial	\$ 36.32	\$ 26.88	\$ 61.90	\$ 30.36
Exchange - FDI Distribution Interconnection - Subsequent	\$ 15.01	\$ 11.83	\$ 16.99	\$ 7.22
Exchange - Serving Terminal Interconnection - Initial	\$ 36.32	\$ 26.88	\$ 28.99	\$ 15.51
Exchange - Serving Terminal Interconnection - Subsequent	\$ 15.01	\$ 11.83	\$ 13.23	\$ 6.41
<b>DARK FIBER</b>				
Advanced - Service Inquiry Charge	\$249.82	\$249.82	N/A	N/A
Advanced - Interoffice Dedicated Transport - Initial	\$ 63.85	\$ 63.85	\$153.14	\$110.28
Advanced - Unbundled Loop - Initial	\$ 63.85	\$ 63.85	\$148.37	\$106.54
Advanced - Sub-Loop Feeder - Initial	\$ 63.85	\$ 63.85	\$148.37	\$106.54
Advanced - Sub-Loop Distribution - Initial	\$ 63.85	\$ 63.85	\$151.78	\$102.80
<b>ENHANCED EXTENDED LINK Loop portion (In addition, BT and COI charges apply, if applicable to the SEE arrangement)</b>				
Advanced - Basic - Initial	\$ 88.39	\$ 56.13	\$10.50	N/A
Advanced - Basic - Subsequent	\$ 38.02	\$ 21.89	\$ 10.50	N/A
DS1/DS3 - Initial	\$ 97.94	\$ 65.68	\$10.50	N/A
DS1/DS3 - Subsequent	\$ 38.02	\$ 21.89	\$ 10.50	N/A
DS3 to DS1 Multiplexing	N/A	N/A	\$450.00	N/A
DS1 to DS0 Multiplexing	N/A	N/A	\$800.00	N/A
<b>Changeover Charge - (Conversion from Special Access to EELs or Transport)</b>				
Advanced - Basic (2-wire and 4-wire) Changeover (As Is)	\$161.87	\$99.77	\$41.64	n/a
Advanced - Basic (2-wire and 4-wire) Changeover (As Is)- Additional MOG (Mass Order Generator) Only	\$7.52	\$4.56	\$41.64	n/a
Advanced - Complex (DS1 and above) Changeover (As Is)	\$179.37	\$117.27	\$41.64	n/a
Advanced - Complex (DS1 and above) Changeover (As Is)- Additional MOG (Mass Order Generator) Only	\$7.52	\$4.56	\$41.64	n/a

**LOOP CONDITIONING<sup>5</sup>**  
**(No charge for loops 12,000 feet or less)**

Loop Conditioning - Bridged Tap	N/A	N/A	\$318.71	\$ 34.88
Loop Conditioning - Load Coils	N/A	N/A	\$249.91	\$ -
Loop Conditioning - Load Coils / Bridged Tap	N/A	N/A	\$568.62	\$ 34.88
Loop Conditioning - Feeder - Bridged Tap	TBD	TBD	TBD	TBD
Loop Conditioning - Feeder - Load Coils	TBD	TBD	TBD	TBD
Loop Conditioning - Feeder - Load Coils / Bridged Tap	TBD	TBD	TBD	TBD
Loop Conditioning - Distribution - Bridged Tap	TBD	TBD	TBD	TBD
Loop Conditioning - Distribution - Load Coils	TBD	TBD	TBD	TBD
Loop Conditioning - Distribution - Load Coils / Bridged Tap	TBD	TBD	TBD	TBD

**ONE PLATFORM**

Exchange - Basic - Initial	\$ 31.57	\$ 22.13	\$ 28.23	\$ 26.58
Exchange - Basic - Subsequent	\$ 16.44	\$ 13.26	\$ 1.08	\$ 1.08
Exchange - Basic - Changeover	\$ 19.93	\$ 15.54	\$ 0.90	\$ 0.90
Exchange - Complex Non-Digital - Initial	\$ 41.35	\$ 27.53	\$162.41	\$ 31.70
Exchange - Complex Non-Digital - Subsequent (Port Feature)	\$ 16.44	\$ 13.26	\$ 5.89	\$ 5.89
Exchange - Complex Non-Digital - Subsequent (Switch Feature Group)	\$ 20.82	\$ 13.26	\$ 22.73	\$ 22.73
Exchange - Complex Non-Digital - Changeover (As Is)	\$ 22.35	\$ 17.96	\$ 3.61	\$ 3.61
Exchange - Complex Non-Digital - Changeover (As Specified)	\$ 30.08	\$ 21.31	\$ 20.97	\$ 3.61
Exchange - Complex Digital - Initial	\$ 41.35	\$ 27.53	\$205.75	\$ 28.18
Exchange - Complex Digital - Subsequent (Port Feature)	\$ 16.44	\$ 13.26	\$ 5.15	\$ 5.15
Exchange - Complex Digital - Subsequent (Switch Feature Group)	\$ 20.82	\$ 13.26	\$ 22.73	\$ 22.73
Exchange - Complex Digital - Changeover (As Is)	\$ 22.35	\$ 17.96	\$ 4.18	\$ 4.18
Exchange - Complex Digital - Changeover (As Specified)	\$ 30.08	\$ 21.31	\$ 80.98	\$ 4.18
Advanced - Complex - Initial	\$ 48.35	\$ 34.53	\$681.24	\$303.66
Advanced - Complex - Subsequent	\$ 20.82	\$ 13.26	\$ 65.81	\$ 48.47
Advanced - Complex - Changeover (As Is)	\$ 24.06	\$ 19.67	\$ 51.51	\$ 34.17
Advanced - Complex - Changeover (As Specified)	\$ 37.08	\$ 28.31	\$ 82.31	\$ 64.97

**INTEROFFICE DEDICATED TRANSPORT (IDT) (Also applies to IDT portion of an EEL arrangement)**

Advanced - Basic - Initial - DS0	\$ 127.99	\$ 93.43	\$ 767.26	N/A
Advanced - Basic - Subsequent - DS0	\$ 66.59	\$ 48.49	\$155.28	N/A
Advanced - Complex - Initial - DS1 and above	\$ 140.52	\$ 105.96	\$769.06	N/A
Advanced - Complex - Subsequent - DS1 and above	\$ 66.59	\$ 48.49	\$ 133.00	N/A

<sup>5</sup> These charges are interim and subject to retroactive true-up back to the Effective Date of this Agreement.

**CLEC DEDICATED TRANSPORT (CDT) (Also applies to CDT portion of an EEL arrangement)**

Entrance Facility/Dedicated Transport DS0 - Initial	\$ 127.99	\$ 93.43	\$650.96	N/A
Entrance Facility/Dedicated Transport DS0 - Subsequent	\$ 66.59	\$ 48.49	\$ 119.58	N/A
Entrance Facility/Dedicated Transport DS1/DS3 - Initial	\$ 140.52	\$ 105.96	\$692.19	N/A
Entrance Facility/Dedicated Transport DS1/DS3 - Subsequent	\$ 66.59	\$ 48.49	\$ 122.07	N/A
Clear Channel Capability	N/A	N/A	\$90.00	N/A

**SIGNALING SYSTEM 7 (SS7)**

Facilities and Trunks - Initial	\$237.67	\$205.19	\$568.54	N/A
Facilities and Trunks - Subsequent (with Engineering Review)	\$ 71.58	\$ 55.23	\$213.12	N/A
Facilities and Trunks - Subsequent (w/o Engineering Review)	\$ 71.58	\$ 55.23	\$ 67.28	N/A
Trunks Only - Initial	\$126.13	\$ 93.65	\$505.41	N/A
Trunks Only - Subsequent (with Engineering Review)	\$ 49.46	\$ 33.11	\$202.03	N/A
Trunks Only - Subsequent (w/o Engineering Review)	\$ 49.46	\$ 33.11	\$ 67.28	N/A
STP Ports (SS7 Links)	\$237.67	\$205.19	\$438.81	N/A

**CUSTOMER ROUTING**

BFR      BFP      BPS      BPR

**EXPEDITES - One**

UNE Loop/Port	4.57	4.57	N/A	
Network Wholesale Products - Dedicated Transport/SS7/Dark Fiber	\$65.16	\$65.16	N/A	N/A

**OTHER**

Design Change Charge - EELs and Transport	\$27.00	\$27.00	N/A	N/A
CLEC Account Establishment (per CLEC)	\$166.32	\$166.32	N/A	N/A

**ONE STAR/CLEC OWNED SPLITTER**

CLEC Splitter Connection - Initial	\$ 32.19	\$ 22.52	\$ 53.04	\$ 47.29
CLEC Splitter Connection - Subsequent	\$ 13.24	\$ 9.83	\$ 14.49	\$ 13.53

## Application of NRCs

### Preordering:

CLEC Account Establishment is a one-time charge applied the first time that \*\*\*CLEC Acronym TXT\*\*\* orders any service from this Agreement.

Customer Record Search applies when \*\*\*CLEC Acronym TXT\*\*\* requests a summary of the services currently subscribed to by the end-user.

### Ordering and Provisioning:

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 the CLEC.

Subsequent Service Order applies to each LSR/ASR for modifications to an existing service. Charge is Manual or Semi-Mechanized based upon the method of submission used by the CLEC.

Advanced ISO applies per LSR/ASR when engineering work activity is required to complete the order.

Exchange ISO applies per LSR/ASR when no engineering work activity is required to complete the order.

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

Basic Provisioning applies to services that can be provisioned using standard network components maintained in inventory without specialized instructions for switch translations, routing, and service arrangements.

Complex Provisioning applies to services that require special instruction for the provisioning of the service to meet the customer's needs.

### Examples of services and their Ordering/Provisioning category that applies:

Exchange-Basic: 2-Wire Analog, 4-Wire Analog, Standard Sub-Loop Distribution, Standard Sub-Loop Feeder, Drop and NID.

Exchange-Complex: Non-loaded Sub-Loop Distribution, Non-load Sub-Loop Feeder, Loop Conditioning, Customized Routing, ISDN BRI Digital Line Side Port and Line Sharing.

Advanced-Basic: 2-Wire Digital Loop, 4-Wire Digital Loop

Advanced-Complex: DS1 Loop, DS3 Loop, Dark Fiber, EELs, and ISDN PRI Digital Trunk Side Port

Conditioning applies in addition to the ISO, for each Loop or Sub-Loop UNE for the installation and grooming of Conditioning requests.

DS1 Clear Channel Capability applies in addition to the ISO, per DS1 for the installation and grooming of DS1 Clear Channel Capability requests.

Changeover Charge applies to UNE-P and EEL orders when an existing retail, resale, or special access service is already in place.

Service Inquiry – Dark Fiber applies per service inquiry when a CLEC requests Verizon to determine the availability of dark fiber on a specific route.

#### EELs

The NRCs that generally apply to an EEL arrangement are applicable ordering & provisioning charges for EEL Loops, IDT, CDT, Multiplexing and Clear Channel Capability.

Custom Handling (These NRCs are in addition to any Preordering or Ordering and Provisioning NRCs):

Service Order Expedite applies if \*\*\*CLEC Acronym TXT\*\*\* requests service prior to the standard due date intervals and the expedite request can be met by Verizon.

Coordinated Conversion applies if \*\*\*CLEC Acronym TXT\*\*\* requests notification and coordination of service cut-over prior to the service becoming effective.

Hot Coordinated Conversion First Hour applies if \*\*\*CLEC Acronym TXT\*\*\* requests real-time coordination of a service cut-over that takes one hour or less.

Hot Coordinated Conversion Per Additional Quarter Hour applies, in addition to the Hot Coordinated Conversion First Hour, for every 15-minute segment of real-time coordination of a service cut-over that takes more than one hour.

Design Change Charge applies to EELs & Transport orders for design changes requested by the CLEC.

Rates and Charges for 911

	<b>Non-Recurring Charge</b>	<b>Monthly Recurring Charge</b>
DS1	Tariff	Tariff
DSO 911 Trunk	Tariff	Tariff
E911 Selective Router Ports		
Ports Per Trunk	\$260.00	\$30.00
Wireless Additive Per Port	N/A	\$13.00
ALI Database Services		
Centralized ALI Port Per System (for third party data--Note 1)	\$200.00	\$62.00
PSALI Software Per Package	\$790.80	\$20.00
ALI Gateway/DMARCS Service	\$135.00	\$36.00
Selective Router Boundary Maps Per Map	\$125.00	N/A
MSAG Copies via Diskette/Electronic		
Per County First Copy Per Order	\$276.00	N/A
Daily Updates	\$ 37.00	N/A



Collocation Rates

See FL Intrastate Access Tariff, Section 19, Collocation Service

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## ATTACHMENT B

### Issues and Party Positions

#### APPLICABLE LAW

1. **Should Verizon continue to provide unbundled network elements and other services required under the Act and the Agreement until there is a final and non-appealable change in law eliminating any such requirements?**

**Covad Position.** Yes. As the Commission knows well, the telecommunications industry has been subject to numerous changes in law that later were reversed (e.g., the various 8th Circuit decisions on TELRIC). The Commission should not permit Verizon to disrupt Covad's business operations and the service it provides to end users in Florida, unless there is a final and non-appealable change in law that relieves Verizon of the obligation to provide unbundled network elements or other services under this Agreement.

**Verizon Position.** No. The parties should be bound by applicable law. With respect to FCC decisions, 47 U.S.C. § 405(a) specifically provides that FCC orders are enforceable when issued, notwithstanding requests for review; likewise, federal law governs the binding effect of federal court decisions. Nothing in the 1996 Act suggests that a state commission may relieve the parties of the obligation of complying with valid legal requirements simply because such requirements may be subject to challenge. Notably, when a change in law *expands* the list of services that Verizon is required to provide, Verizon provides such services before there is a final and non-appealable order upholding such a change in law. By the same token, Verizon is entitled to the benefit of a change in law that eliminates any of those services as soon as that change of law becomes effective. In addition, the agreed-upon contract language already provides for a transition period of up to 45 days, which would mitigate any disruption to Covad's business operations and would provide Covad with time in which to seek a stay of any change in law.

**Contract Reference.** General Terms and Conditions, § 4.7; UNE Attachment, § 1.5; Collocation Attachment, § 1

#### BILLING

2. **Should the Parties have the unlimited right to assess previously unbilled charges for services rendered?**

**Covad Position.** No. Backbilling should be limited to services rendered within one year of the current billing date in order to provide some measure of certainty in the billing relationship between the parties.

**Verizon Position.** The parties' right to backbill should be governed by the applicable statute of limitations on contract actions. Backbilling is used when one party has received service and has paid either no charge for the service or a charge that is less than the correct charge specified in its agreement or in the other party's tariffs. Carrier-to-

carrier billing is complicated and subject to regulatory changes that may make it difficult for carriers to bill for services promptly and completely. Accordingly, the general contractual statute of limitations provides appropriate protection for the parties' interest in collecting the established price for services they provide under the agreement. Otherwise, a party might be able to provide service and collect fees from its customers while avoiding the appropriate payments for the inputs that it purchases from the other party. Moreover, Covad's proposal is one-sided and therefore unreasonable. The parties' right to backbill to recoup any undercharges should be symmetrical with the right to contest any previously billed overcharges. Despite its claims that a time limit on the right to backbill is necessary to provide "certainty in the billing relationship," Covad has proposed no similar limitation on the right to dispute past overcharges. But, just as a party's right to dispute overcharges should not be arbitrarily limited, so too a party's right to collect undercharges should not be limited.

**Contract Reference.** General Terms and Conditions, §§ 9.1.1 (proposed), 9.5

**3. When a good faith billing dispute arises between the Parties, how should the claim be tracked and referenced?**

**Covad Position.** When a billed Party gives notice to the billing Party of a dispute regarding a billed amount, the billing Party should assign a Claim Number to the dispute for the purpose of allowing both Parties to reference the dispute quickly and accurately in correspondence and other communications.

**Verizon Position.** Verizon notes that Covad's description of its position — under which Verizon, as the billing party, would assign a claim number to claims submitted by Covad — differs from its proposed language, under which billing claims submitted by Covad would be identified by a claim number that Covad assigns. Verizon is not opposed to establishing a billing claim number system and is in the process of implementing such a system. However, Verizon should be permitted to assign the claim numbers, so that it may utilize a uniform claim number system for all ALECs with which it does business in Florida. Covad's proposal, by contrast, could force Verizon to implement unique systems for each ALEC, which would be unnecessarily expensive and neither justified nor practical.

**Contract Reference.** General Terms and Conditions, § 9.3

**4. When the Billing Party disputes a claim filed by the Billed Party, how much time should the Billing Party have to provide a position and explanation thereof to the Billed Party?**

**Covad Position.** The Billing Party should provide its position and a supporting explanation regarding a disputed bill within thirty (30) days of receiving notice of the dispute.

**Verizon Position.** Standards governing when Verizon must respond to a billing dispute should be set on an industry-wide basis — as in states such as New York, which is continuing to develop such standards through an industry collaborative body. Otherwise,

the process for responding to such disputes would soon become unworkable as different standards may be established for different ALECs. In any event, Covad's proposed standard is unreasonable. Under Covad's proposal, there is no requirement that Covad's notice of the dispute contain sufficient information for Verizon to investigate the matter; nor is there any requirement that the billing dispute be sufficiently current so that Verizon has relatively easy access to the data necessary to investigate Covad's claim within 30 days. Billing dispute resolution performance measurements established in other Verizon states include both requirements, as well as others, and the same should be true of any such industry-wide measurements adopted in Florida. Verizon would not object to the inclusion of language requiring the parties to use commercially reasonable efforts to resolve billing disputes in a timely manner.

**Contract Reference.** General Terms and Conditions, § 9.3

5. **When Verizon calculates the late payment charges due on disputed bills (where it ultimately prevails on the dispute), should it be permitted to assess the late payment charges for the amount of time exceeding thirty days that it took to provide Covad a substantive response to the dispute?**

**Covad Position.** No. Late payment charges should not accrue for the time that Verizon takes to address the dispute beyond thirty days. Any other outcome would mean that Verizon could profit from a failure to timely resolve billing disputes.

**Verizon Position.** Yes. Covad is not required to pay disputed amounts during the pendency of a dispute. As a result, if late payment fees do not accrue after 30 days from Verizon's receiving notice of a dispute, Covad would have the incentive to submit frivolous claims to earn interest on the "disputed" amounts. Moreover, for the reasons noted above, the 30-day period, as Covad has it, is unreasonable. Verizon would not object to the inclusion of language requiring the parties to use commercially reasonable efforts to resolve billing disputes in a timely manner, but late payment charges, which compensate Verizon for Covad's use of disputed amounts that should have been paid when due, should accrue during the pendency of any dispute.

As reflected in Attachment C to this filing, Covad also proposes language that would prohibit a party from assessing late payment charges in the event that the other party fails to pay previously assessed late payment charges. Verizon contends that it is commercially reasonable for late payment charges to apply to any failure to pay amounts due under the agreement.

**Contract Reference.** General Terms and Conditions, § 9.4

## DEFAULT

6. **Following written notification of either Party's failure to make a payment required by the Agreement or either Party's material breach of the Agreement, how much time should a Party be allowed to cure the breach before the other Party can (a) suspended the provision of services under the Agreement or (b) cancel the Agreement and terminate the provision of services thereunder?**

**Covad Position.** 60 days. Although making payments under the Agreement could be done sooner, inadvertent operational violations of the Agreement may not be so easily remedied. In a complex relationship involving tens of thousands of lines providing business and residential customers with technologically advanced services over the wide variety of networks that comprise Verizon's plant, a period of time shorter than 60 days to cure a breach is likely to prove insufficient even in those instances where the breach is undisputed and the breaching Party is working diligently to correct the breach.

**Verizon Position.** Thirty days following written notice is a commercially reasonable period in which Covad could make any required payments or cure any material breach of the agreement. In the event that Covad could not, through diligent efforts, cure a material breach during that time, 30 days following written notice provides Covad with more than sufficient time in which to petition this Commission to prevent Verizon from either suspending or terminating the provisioning of services under the agreement.

**Contract Reference.** General Terms and Conditions, § 12.

## DISPUTE RESOLUTION ISSUES

7. **For service-affecting disputes, should the Parties employ arbitration under the rules of the American Arbitration Association, and if so, should the normal period of negotiations that must occur before invoking dispute resolution be shortened?**

**Covad Position.** Yes and yes. Unlike situations subject to the standard dispute resolution provisions of the agreement in which the dispute involves only the relationship between Verizon and Covad, a service-affecting dispute harms either Covad's or Verizon's end users. The services that both Parties provide to their customers must be protected to the greatest extent possible, and a dispute that affects those services should be resolved faster than other disputes. Accordingly, either party should be able to submit such a dispute to binding arbitration under the expedited procedures described in the Commercial Arbitration Rules of the American Arbitration Association (rules 53 through 57) in any circumstance where negotiations have failed to resolve the dispute within five (5) business days.

**Verizon Position.** As Covad recognizes, under the 1996 Act, all open issues must be resolved in accordance with the requirements of federal law. Although federal law protects parties' right to *choose* to resolve their disputes through binding arbitration, no provision of federal law authorizes this Commission to *require* Verizon to give up its right to seek resolution of any dispute before an appropriate forum.

**Contract Reference.** General Terms and Conditions, § 14.3 (proposed)

**8. Should Verizon be permitted unilaterally to terminate this Agreement for any exchanges or territory that it sells to another party?**

**Covad Position.** No. Verizon should not be permitted to terminate the Agreement unilaterally for exchanges or other territory that it sells. Otherwise, Verizon will have no incentive to avoid disrupting Covad's provision of services to end users. Covad's proposed contract language for this provision allows Verizon to assign the Agreement to purchasers.

**Verizon Position.** Yes. Verizon cannot be required to condition any sale of its operations on the purchaser agreeing to an assignment of this agreement. Nor can the purchaser be forced to accept Verizon's obligations under this agreement. Not only does federal law provide no basis for such obligations, but any such requirement would likely reduce the price that Verizon could receive for a sale and could impose on any would-be purchaser obligations under the agreement greater than those that apply to it under federal law. *See, e.g.,* 47 U.S.C. § 251(f) (exempting rural carriers from certain requirements under the 1996 Act). Covad's proposed language, which states only that Verizon "may assign" its rights to the purchaser, adds little, if anything, to Verizon's rights in the absence of such language. Under the agreed-upon provision regarding contract assignment, each Party can assign the agreement with prior written consent of the other Party, "which consent shall not be unreasonably withheld, conditioned or delayed." Agreement, § 5. At the same time, nothing in the agreed-upon language *requires* Verizon and a purchaser to agree to an assignment — nor should it. In any event, if Verizon were to sell an exchange or territory in Florida, Covad can protect its rights and interests without the inclusion of the language that it seeks to add, by participating in the Commission's proceeding regarding the sale.

**Contract Reference.** General Terms and Conditions, § 43.2

**WAIVER**

**9. Should the anti-waiver provisions of the Agreement be implemented subject to the restriction that the Parties may not bill one another for services rendered more than one year prior to the current billing date?**

**Covad Position.** As described under Issue 2, backbilling between the Parties should be limited to billing for services rendered within one year prior of the current billing date to provide a measure of certainty in the billing relationship between the Parties. If Covad's position on this issue is accepted, the waiver provisions of the Agreement should be modified to take this backbilling limit into account.

**Verizon Position.** No. See Verizon's position with respect to Issue 2.

**Contract Reference.** General Terms and Conditions, §§ 9.1.1 (proposed), 48

**10. Should the Agreement preclude Covad from asserting future causes of action against Verizon for violation of Section 251 of the Act?**

**Covad Position.** No. Covad should be permitted to seek damages and other relief from Verizon based upon Sections 206 and 207 of the Act, which provide a cause of action in federal district court or at the FCC and a right to damages for violations of any other provision of the Act, including Section 251. Covad’s proposed language is intended to deal with *Trinko v. Bell Atlantic Corp.*, 294 F.3d 307 (2d Cir. 2002), in which the court held that because Section 252 of the Act allows the parties to negotiate interconnection agreements “without regard to the standards set forth in subsections (b) and (c) of section 251,” 47 U.S.C. § 252(a)(1), the act of entering an interconnection agreement can extinguish a CLEC’s right to damages for violations of Section 251. The court held that such CLECs have the right to sue for only common law damages for breach of contract. Covad and Verizon, however, did not negotiate the instant Agreement “without regard to the standards set forth in subsections (b) and (c) of section 251.” Indeed, the Parties negotiated this Agreement with regard to Section 251, as many of the provisions thereof are based either explicitly or implicitly upon that section of the Act. Accordingly, Covad wishes explicitly to preserve causes of action that arise from Sections 206 and 207 of the Act. And there is good reason for doing so. As the Commission can well imagine, the Parties are incapable of enumerating in the Agreement all potential causes of action that exist now or may exist in the future.

**Verizon Position.** Contrary to Covad’s implication, there are no terms in the agreement that preclude Covad from asserting future causes of action against Verizon for violation of § 251 of the Act. Covad, however, seeks to insert language that would impede Verizon’s ability to defend against such a cause of action should Covad ever assert one. The agreement should be silent on the question. Whether the execution of an interconnection agreement affects any other remedies is a question that is not presented here and that the Commission should not attempt to pre-judge in this proceeding. In particular, the question whether Covad could bring an action against Verizon based on an alleged violation of subsections (b) and (c) of § 251 is not presented in this proceeding, and the Commission should not include any language in the parties’ agreement purporting to address that issue. Instead, that question should be addressed by the FCC or a court of competent jurisdiction if and when the question arises. In any event, uniform federal court authority, including authority from the federal district courts in Florida, holds that no action may be brought pursuant to §§ 206 and 207 for such alleged violations of § 251, and Verizon believes that uniform federal court authority is correct.

**Contract Reference.** General Terms and Conditions, § 48; Glossary, § 2.11; Collocation Attachment, § 1

## GLOSSARY

11. **Should the definition of universal digital loop carrier (“UDLC”) state that loop unbundling is not possible with integrated digital loop carrier (“IDLC”)?**

**Covad Position.** No. The definition of UDLC should not prejudice the issue of whether loops provisioned over IDLC may be unbundled.

**Verizon Position.** Yes. Covad is wrong in asserting that there is an “issue” as to whether loops provisioned over IDLC may be unbundled. As a technical matter, a loop provisioned over IDLC is integrated with the switch and, therefore, cannot be provisioned on an unbundled basis. The FCC has recognized as much, most recently in approving BellSouth’s five-state § 271 application. *See BellSouth Five-State 271 Order*<sup>1</sup> ¶¶ 57, 62.

**Contract Reference.** Glossary, § 2.111

## OPERATIONAL SUPPORT SERVICES

12. **Should Verizon provide Covad with nondiscriminatory access to the same information about Verizon’s loops that Verizon makes available to itself, its affiliates and third parties?**

**Covad Position.** Yes. Although Covad does not have to be granted access to the same systems that Verizon uses for pre-ordering and ordering OSS functions for its own customers, Verizon must ensure that Covad has access to the same information that Verizon accesses with those systems. Verizon also must make certain that this access is available in the *same* manner as Verizon makes the information available to third parties and in a functionally equivalent manner to the way it makes the information available to itself and its affiliates. The FCC has consistently found that such nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition. *See, e.g., Bell Atlantic New York Order*, at 3990, ¶ 83; *BellSouth South Carolina Order*, 547-48, 585; *Second BellSouth Louisiana Order*, 13 FCC Rcd at 20653; *see also Telecommunications Act of 1996*, § 271(c)(2)(B)(ii). Without such access, the FCC has determined that a competing carrier “will be severely disadvantaged, if not precluded altogether, from fairly competing.” *Bell Atlantic New York Order* at 3990, ¶ 83. In order to meet the standards set by the FCC, Verizon must provide nondiscriminatory access to the systems, information, documentation, and personnel that support its OSS. *Bell Atlantic New York Order*, 15 FCC Rcd at 3990, ¶ 84. For OSS functions that are analogous to those that Verizon provides to itself, its customers or its affiliates, the nondiscrimination standard requires that it offer requesting carriers access that is *equivalent in terms of quality, accuracy, and timeliness*. *Id.* at 3991, ¶ 85 (emphasis added).

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<sup>1</sup> *Joint Application by BellSouth Corporation, et al., for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina*, Memorandum Opinion and Order, WC Docket No. 02-150, FCC 02-260 (rel. Sept. 18, 2002) (“*BellSouth Five-State 271 Order*”).



**Verizon Position.** The dispute here is not over whether Verizon must provide Covad with nondiscriminatory access to loop qualification information. Instead, the issue is whether Covad’s proposed additional language is necessary. The agreement already provides that “[t]he preordering function includes providing Covad nondiscriminatory access to the same detailed information about the loop that is available to Verizon and its affiliates.” Additional Services Attachment, § 8.1.1. The agreement also provides that Verizon “shall provide to Covad, pursuant to Section 251(c)(3) of the Act, 47 U.S.C. § 251(c)(3), Verizon OSS Services.” *Id.* § 8.2.1; *see also* UNE Attachment, § 3.13.3 (“Verizon shall provide access to loop qualification information in accordance with, but only to the extent required by, Applicable Law”). Accordingly, the agreed-upon provisions of the agreement already require Verizon to provide Covad with loop qualification information as required by federal law. Covad has shown no need for its additional language.

**Contract Reference.** Additional Services Attachment, §§ 8.1.4, 8.2.3 (proposed)

13. **In what interval should Verizon be required to return Firm Order Commitments to Covad for pre-qualified Local Service Requests submitted mechanically and for Local Service Requests submitted manually?**

**Covad Position.** Verizon should be required to return Firm Order Commitments to Covad for pre-qualified Local Service Requests submitted mechanically within four (4)<sup>2</sup> hours and for Local Service Requests submitted manually within twenty-four (24) hours. These benchmarks are not unreasonable given that they represent the performance that Verizon is already providing to CLECs for these functions.

**Verizon Position.** Intervals for returning Local Service Confirmations (“LSC”) — formerly referred to as Firm Order Confirmations (“FOCs”) — should not be established on an interconnection-agreement-by-interconnection-agreement basis. Instead, any such intervals should be established on an industry-wide basis, as in this Commission’s current Docket No. 000121C-TP. The processing of ALECs’ Local Service Requests (“LSRs”) would soon become unmanageable if a different timeliness standard applied to each ALEC’s LSRs. Furthermore, including these intervals in interconnection agreements would mean that amendments to those agreements would be required to modify the intervals, when necessary.

**Contract Reference.** Additional Services Attachment, § 8.2.4 (proposed)

14. **Should auditing rights regarding access to, and use and disclosure of, OSS information be reciprocal or should Verizon only have the right to conduct such audits? How frequently should such audits be conducted?**

**Covad Position.** Auditing rights should be reciprocal and should occur no more frequently than once per year. The Parties are engaged in a complex relationship that is governed by the Agreement and by Applicable Law. Verizon seeks the right to audit

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<sup>2</sup> Verizon notes that Covad’s proposed language would set a 2-hour standard.

Covad for compliance with the relevant bodies of law as they relate to access to, and use and disclosure of, OSS information, and Covad merely seeks the same rights.

**Verizon Position.** The provisions of the agreement at issue here enable Verizon to ensure that Covad is not using information that it obtains through its access to Verizon's OSS in ways that are contrary to the requirements of applicable law. Verizon does not understand how those rights could be made reciprocal. Verizon currently has no general right of access to Covad's OSS information (see Issue 18), but, if it did, Verizon would not object to a provision allowing Covad to audit Verizon's access to and use of that information. There no reason, however, for Covad to audit *Verizon* "with regard to *Covad's* access to, and use and disclosure of, Verizon OSS information," which is what Covad is ostensibly seeking. Additional Services Attachment, § 8.5.4.1 (Covad's proposal) (emphasis added). Verizon does not object to limiting audit rights to once per year, as long as Verizon has the right to audit more frequently (but no more frequently than once in each calendar quarter) if the immediately preceding audit revealed violations of applicable law and/or this agreement.

**Contract Reference.** Additional Services Attachment, §§ 8.5.4.1, 8.5.4.3

15. **If auditing rights are made reciprocal as part of this arbitration, should confidential information obtained in such an audit also be treated in a reciprocal fashion?**

**Covad Position.** If reciprocal auditing rights are ordered pursuant to Issue 12, the Parties should treat any confidential information obtained in such an audit in accordance with § 8.5.3.3 of the Agreement.<sup>3</sup>

**Verizon Position.** See Verizon's response to Issue 14. Verizon does not understand what confidential information Covad could obtain — that it does not already possess — if it conducted an audit "with regard to Covad's access to, and use and disclosure of, Verizon OSS information." Additional Services Attachment, § 8.5.4.1 (Covad's proposal).

**Contract Reference.** Additional Services Attachment, §§ 8.5.4.1, 8.5.4.3

## **LIABILITIES AND REMEMDIES**

16. **Under what circumstances should Verizon be able to suspend Covad's license to use Verizon OSS information based upon a purported breach of the Agreement?**

**Covad Position.** If Covad breaches §§ 8.4 or 8.5 of the Agreement and does not cure the breach after being given notice of the breach and a reasonable opportunity to cure it, Verizon should have the right to seek permission from the appropriate regulatory body to suspend Covad's license to use Verizon OSS information. Regulatory oversight of Verizon's ability to suspend Covad's OSS license is absolutely critical given that (1) the "breach" described in the relevant part of the Agreement (§ 8.6) is a breach in Verizon's

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<sup>3</sup> Verizon believes that Covad means to refer to Issue 14 and § 8.5.4.3 of the agreement.

opinion that may or may not be supported by competent evidence and (2) the right to suspend the license is equivalent to the right suspend Covad's ability to serve new customers. Thus, a lack of regulatory oversight of Verizon's powers in this area could amount to a unilateral grant to Verizon of the right to cut off Covad's ability to compete.

**Verizon Position.** Verizon's proposed language requires Verizon to notify Covad in writing of a material breach related to the use of Verizon's OSS and prevents Verizon from taking further action until at least 10 days after Covad receives the written notice. However, if Covad does not cure the material breach, then Verizon should be permitted to suspend Covad's license. Verizon seeks this right because misuse of Verizon's OSS could damage these systems or impair their functionality, adversely affecting all of the carriers that rely on them. The 10-day period provides Covad with ample time in which to raise a dispute before this Commission as to Verizon's written notice of breach and/or to the suspension of Covad's license in the event it does not cure the breach.

**Contract Reference.** Additional Services Attachment, §§ 8.4, 8.5, 8.6

### **ACCESS TO INFORMATION RELATED TO COVAD'S CUSTOMERS**

17. **Should auditing regarding access to, and use and disclosure of, customer information be reciprocal or should Verizon only have the right to such audits?**

The parties have resolved this issue.

**Contract Reference.** Additional Services Attachment, § 8.9.1

18. **Should Covad be obligated to enter a future agreement with Verizon under which Verizon would be allowed access to Covad's OSS systems for the purpose of accessing information about Covad's customers that Verizon already possesses?**

**Covad Position.** Although Covad agrees to negotiate in good faith with Verizon regarding access to Covad's OSS systems (for the purpose of obtaining relevant information about Covad's customers), Covad should not be required either to enter such an Agreement (as Verizon's proposal would do) or to provide Verizon access to Covad's OSS systems for any purpose other than to obtain information that Verizon does not already have in its possession.

**Verizon Position.** Covad incorrectly characterizes Verizon's position here. As indicated in Attachment C to Covad's Petition, Verizon and Covad are in agreement that Covad need only negotiate in good faith with Verizon regarding access to Covad's OSS systems. The only dispute between the parties concerns Covad's proposed addition of the clause "provided that such information is not already in Verizon's possession" to § 8.9.2 of the Additional Services Attachment. As stated, that language would limit the scope of the negotiations. There is no reason to limit the scope of those negotiations before they begin, especially when Covad's use of Verizon's OSS is not limited to accessing information not already in the possession of Covad.

**Contract Reference.** Additional Services Attachment, § 8.9.2

19. **Should Verizon be obligated to provide Covad nondiscriminatory access to UNEs and UNE combinations consistent with Applicable Law?**

**Covad Position.** Yes. Verizon should provide Covad UNEs and UNE combinations in instances when Verizon would provide such UNE or UNE combinations to itself. Pursuant to Section 251(c)(3) of the Act, and applicable FCC rules, Verizon is obligated to provide Covad access to UNEs and UNE combinations on just, reasonable, and nondiscriminatory terms. As the FCC itself has found, Section 251(c)(3)'s requirement that incumbents provide CLECs "nondiscriminatory access" to UNEs requires that incumbents provide CLECs access to UNEs that is "equal-in-quality" to that which the incumbent provides itself. *Local Competition Order*, ¶ 312; 47 C.F.R. § 51.311(b). Indeed, the United States Supreme Court has affirmed the fact that Section 251(c)(3) obligates incumbents to provide requesting carriers combinations that it provides to itself. *Verizon Communications v. F.C.C.*, 535 U.S. \_\_\_, \_\_\_ (2002) ("otherwise, an entrant would not enjoy true 'nondiscriminatory access'" pursuant to Section 251(c)(3)). As the FCC has found, the same reasoning requires that incumbents provide requesting carriers UNEs in situations where the incumbent would provide the UNE to a requesting retail customer as part of a retail service offering. Verizon's proposed language would unduly restrict Covad's access to network elements and combinations that Verizon ordinarily provides to itself when offering retail services.

**Verizon Position.** The dispute here is not over whether Verizon must provide Covad with nondiscriminatory access to UNEs and UNE combinations to the extent required by federal law. Instead, this issue pertains to Covad's attempt to expand Verizon's unbundling obligations under federal law, by requiring Verizon to build facilities in order to provision Covad's UNE orders. Under the Act, Verizon has no such obligation. *See, e.g., Iowa Utils. Bd. v. FCC*, 120 F.3d 753, 813 (8th Cir. 1997), *aff'd in part, rev'd in part sub nom. AT&T Corp. v. Iowa Utils. Bd.*, 525 U.S. 366 (1999); *Virginia Arbitration Order*<sup>4</sup> ¶ 468. Verizon follows the same practices with respect to providing unbundled elements in Florida as other Verizon companies do elsewhere, and the FCC has found that those policies satisfy the requirements of the 1996 Act. *See, e.g., New Jersey 271 Order*<sup>5</sup> ¶ 151; *Pennsylvania 271 Order*<sup>6</sup> ¶ 92.

**Contract Reference.** UNE Attachment, §§ 1.2, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.13.4.

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<sup>4</sup> *Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration*, CC Docket Nos. 00-218 & 00-249, Memorandum Opinion and Order, DA 02-1731, 2002 WL 1576912 (Chief, Wireline Competition Bureau rel. July 17, 2002) ("*Virginia Arbitration Order*").

<sup>5</sup> *Application by Verizon New Jersey Inc., et al., for Authorization To Provide In-Region, InterLATA Services in New Jersey*, Memorandum Opinion and Order, 17 FCC Rcd 12275 (2002) ("*New Jersey 271 Order*").

<sup>6</sup> *Application of Verizon Pennsylvania Inc., et al. for Authorization To Provide In-Region, InterLATA Services in Pennsylvania*, Memorandum Opinion and Order, 16 FCC Rcd 17419 (2001) ("*Pennsylvania 271 Order*").

**20. Should the parties be allowed to negotiate the terms, conditions, and pricing for UNE or UNE combinations resulting from a change in law?**

**Covad Position.** Yes. Consistent with the Act’s good-faith negotiation obligations, Covad believes that the parties should be given the opportunity to negotiate and mutually agree upon terms, conditions, and pricing of UNE or UNE combinations resulting from a change in law. 47 U.S.C. §§ 251(c)(1), 252. While this might result in the parties eventually adopting the terms, conditions, and pricing in a Verizon tariff, Covad believes the parties should first be given the opportunity to negotiate.

**Verizon Position.** In those situations where Verizon is required to offer a new UNE or UNE combination and a valid tariff governs the terms and conditions for the provision of such UNE or UNE combination, those tariff conditions — which contain the legal rate for the service and are applied to all requesting carriers on nondiscriminatory terms — should govern. Both federal law and Florida law provide carriers like Covad ample procedural protection to ensure that any such filed tariffs are consistent with law.

**Contract Reference.** UNE Attachment, § 1.4.1.

**21. Should Verizon be required to provide Covad with access to Unbundled Network Elements at any technically feasible point?**

**Covad Position.** Yes. Verizon is obligated to make access to UNEs available at any technically feasible point as required by 47 C.F.R. § 51.311 and 47 U.S.C. § 251(c)(3).

**Verizon Position.** Section 1.1 of the UNE Attachment already requires Verizon to provide UNEs as required by federal law. Accordingly, there is no need to make Covad’s proposed changes to § 1.7 of that attachment, especially when, for practical reasons, ALECs must collocate to obtain most UNEs.

**Contract Reference.** UNE Attachment, § 1.7

**22. Should Verizon commit to an appointment window for installing loops and pay a penalty when it misses the window?**

**Covad Position.** Yes. Like any vendor, Verizon should be obligated to provide its customer (Covad) a commercially reasonable three-hour appointment window when it will deliver the product (the loop). Verizon should waive the nonrecurring dispatch charges when it fails to meet this committed timeframe. If Verizon misses additional appointment windows for that same end-user, Verizon should pay Covad a missed appointment fee equivalent to the Verizon non-recurring dispatch charge.

**Verizon Position.** No. Verizon does not provide a 3-hour appointment window for its retail customers when it must dispatch a technician to the end user’s premises to install loops comparable to those Covad orders. Accordingly, Covad is requesting superior service, rather than the nondiscriminatory service to which it is entitled under the 1996 Act. In any event, because it is Covad’s responsibility to ensure that its end user customer is available during any scheduled appointment window, if Verizon fails to meet

an appointment window because Verizon's technician cannot obtain access to Covad's customer's premises, it should not be deemed a missed appointment and Verizon should face no penalty.

**Contract Reference.** UNE Attachment, § 1.9 (proposed)

23. **What technical references should be used for the definition of the ISDN and HDSL loops?**

**Covad Position.** The agreement should refer to industry ANSI standards and not to Verizon's internal (and unilaterally changeable) technical references.

**Verizon Position.** Verizon agrees that these sections of the agreement should make reference to industry standards. However, because Covad is entitled to obtain unbundled access only to Verizon's existing network, the agreement should also reference the Verizon technical documents that define loop characteristics specific to Verizon's network. Verizon revises its technical documents from time to time to remain current with industry standards. The standards set forth in Verizon's technical documents apply to loops provided both to ALECs and to Verizon's retail customers.

**Contract Reference.** UNE Attachment, §§ 3.1, 3.3

24. **Should Verizon relieve loop capacity constraints for Covad to the same extent as it does so for its own customers?**

**Covad Position.** Consistent with the nondiscrimination provisions of the Act, the agreement should obligate Verizon to relieve capacity constraints in the loop network to provide loops to the same extent and on the same rates, terms and conditions that it does so for its own customers.

**Verizon Position.** Covad has combined two different issues here. First, Covad's proposed language would require Verizon to build facilities in order to provision Covad's UNE orders. As explained above in Verizon's response to Issue 19, Verizon has no such obligation under the 1996 Act. Second, Covad would apparently require Verizon to provide loop extension equipment for free, as Covad has struck the sentence in § 3.1 stating that a "separate charge will apply for loop extension equipment." Covad has no entitlement to obtain this service at no cost.

**Contract Reference.** UNE Attachment, §§ 3.1, 3.4, 3.6, 3.7

25. **Should Verizon provision Covad DS-1 loops with associated electronics needed for such loops to work, if it does so for its own end users?**

**Covad Position.** Yes. Verizon should provision Covad DS-1 loops with associated electronics for such loops to work, at no additional charge, in instances when such electronics are not already in place, if it does so for its own end users.

**Verizon Position.** As above, Covad's proposed language would require Verizon to build facilities in order to provision Covad's UNE orders, which Verizon is not obligated to do under federal law.

**Contract Reference.** UNE Attachment, § 3.5

**26. Should Covad be able to offer full-strength symmetric DSL services?**

**Covad Position.** Yes. Covad should be able to offer full-strength symmetric DSL services, which means providing services to end users with up to 1.544 Mbps of bandwidth. To do that, the definition of SDSL in the Agreement must permit Covad to offer services that meet Spectrum Management Classes ("SMC") 7 and 8.

**Verizon Position.** Verizon does not prevent Covad from offering full-strength symmetric DSL services. The agreed-upon language defines a 2-Wire SDSL Loop as one that, among other things, "meets Class 2 length limit in T1E1.4/2000-002R3," which enables the provision of full-strength symmetric DSL services. The language further states that, "alternately," an ALEC's "connecting equipment should conform to the limits for SMC2." Thus, the agreement does not prevent Covad from using equipment that conforms to the limits of SMC 7 and 8. Indeed, the language further provides that the "data rate achieved depends on the performance of the [A]LEC-provided modems with the electrical characteristics associated with the loop."

**Contract Reference.** UNE Attachment, § 3.7

**27. Should the Agreement make clear that Covad has the right, under Applicable Law, to deploy services that either (1) fall under any of the loop type categories enumerated in the Agreement (albeit not the one ordered) or (2) do not fall under any of loop type categories?**

**Covad Position.** Yes. Covad's language is consistent with Applicable Law, namely 47 C.F.R. § 51.230. Covad anticipates that spectrum management law is likely to change during the term of the Agreement due to proposed industry proposals presently before the FCC, and agreed to by both Covad and Verizon. Covad believes the Agreement should generically reference Applicable Law in order to capture automatically the current and future state of the law.

**Verizon Position.** With respect to the first issue raised here, Covad's proposed changes to the agreement would substantially impair Verizon's ability to ensure that the various services provided over loops in a binder group, or in adjacent binder groups, do not interfere with each other. Verizon is legally required to know which services are provided over which loops in order to be better able to address any potential interference problems that arise. With respect to the second issue raised here, Verizon's proposed language in § 3.11 of the UNE Attachment provides that, for any "loop type or technology that has not yet been developed," Covad should submit a bona fide request if it wants to deploy such a brand new loop type or technology. This is entirely consistent with 47 C.F.R. § 51.230, which does not presume that as-yet undeveloped loop types and technologies are acceptable for deployment. Finally, the agreement already contains a

change-of-law clause that would apply in the event that § 51.320 changes. *See* Agreement, § 4.

**Contract Reference.** UNE Attachment, §§ 3.11, 3.11 (proposed), 3.11, 4.5

**28. Should the Agreement allow Verizon to take unilateral action to alleviate alleged interference in violation of Applicable Law?**

The parties have resolved this issue.

**Contract Reference.** UNE Attachment, § 3.11

**29. Should Verizon maintain or repair loops it provides to Covad in accordance with minimum standards that are at least as stringent as either its own retail standards or those of the telecommunications industry in general?**

**Covad Position.** Yes. Consistent with the nondiscrimination provisions of the Act, Verizon should be obligated to maintain or repair loops using standards that are at least as stringent as the standards it uses in maintaining or repairing the same or comparable loops for itself or, in the alternative, applicable industry standards for maintaining or repairing such loops.

**Verizon Position.** The agreement already provides that Verizon will maintain and repair loops in a nondiscriminatory fashion. *See* UNE Attachment, § 14. Furthermore, the 1996 Act does not require Verizon to perform maintenance and repair functions in accordance with industry standards if those differ from the standards that Verizon applies in maintaining and repairing its retail customers' loops. Instead, the Act requires Verizon to perform those functions in a nondiscriminatory fashion. Accordingly, there is no need for the first half of Covad's proposed addition, and the second half is contrary to federal law.

**Contract Reference.** UNE Attachment, § 3.11 (proposed)

**30. Should Verizon be obligated to cooperatively test loops it provides to Covad and what terms and conditions should apply to such testing?**

**Covad Position.** Yes. Cooperative testing assists in the timely and efficient provisioning of functioning loops. Verizon should conduct cooperative testing at no additional charge until it can demonstrate that it can consistently deliver working loops to Covad. Covad's proposed language provides specific terms and conditions concerning how the parties currently conduct cooperative testing and should continue to do so under the Agreement, including, but not limited to, the following:

- (i) When Verizon should conduct cooperative testing (*i.e.*, where Verizon determines a dispatch is required to provision a loop).
- (ii) What such testing should entail.



- (iii) How the parties should coordinate such testing. (Verizon will call Covad with the technician on the line to perform the test and Covad will within 15 minutes begin testing with the technician, while testing will take no longer than 15 minutes.)
- (iv) What happens if the Verizon technician performing testing is unable to contact a Covad employee. (The Verizon technician will test the loop to ensure it meets the requirements of the Agreement, provide the reason he/she was unable to contact Covad, and later engage in a joint “one way” test with Covad whereby a Verizon employee will call Covad and stay on the line while Covad tests the loop remotely using its equipment to which the loop is connected.)
- (v) Escalation procedures.
- (vi) Procedures if the acceptance test fails loop continuity testing.
- (vii) That Verizon should not bill Covad for loop repairs when the repair results from a Verizon problem.

**Verizon Position.** As an initial matter, the agreed-upon language in § 3.13.13 of the UNE Attachment limits any obligation to conduct cooperative acceptance testing to “the former Bell Atlantic Service Areas only.” Because Verizon’s territory in Florida is not part of the former Bell Atlantic Service Areas, there is no open issue in this proceeding with respect to cooperative acceptance testing.

Verizon does agree that testing can identify service-affecting issues with loops before they are provisioned. Indeed, when Verizon provisions an xDSL Compatible Loop or a 2-wire digital conditioned loop (equivalent to a Digital Designed Loop), Verizon already performs continuity testing and, if requested by the ALEC, “meet me” testing, whereby a Verizon technician will meet with an ALEC technician to isolate and resolve any issues. However, as with other issues raised in this proceeding, the procedures for cooperative acceptance testing should not be established on an interconnection-agreement-by-interconnection-agreement basis. Instead, any procedures for testing should be worked out collaboratively with all ALECs, so that a uniform process may be employed.

Finally, if cooperative acceptance testing processes are established on an industry-wide basis in Florida, Covad’s obligation to pay for cooperative testing should not be contingent on Covad’s proposed vague and undefined requirement that Verizon first “demonstrate” that it consistently delivers working loops to Covad. In any event, Verizon’s performance reports for Florida, pursuant to the *Bell Atlantic/GTE Merger Order*,<sup>7</sup> consistently show high installation quality rates and low rates of trouble reports, thus meeting any such burden of proof.

**Contract Reference.** UNE Attachment, § 3.13.13

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<sup>7</sup> *Applications of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, Memorandum Opinion and Order, 15 FCC Rcd 14032 (2000) (“Bell Atlantic/GTE Merger Order”).*

**31. Should the Agreement obligate Verizon to ensure that Covad can locate the loops Verizon provisions?**

**Covad Position.** Yes. Verizon should be obligated to tell Covad where it has provisioned a loop. For large office buildings, Verizon will usually provision a loop in the termination room, in which all the loops serving that building are terminated. CLECs should not be forced to blindly search large office buildings for the terminal room. In situations where Verizon sends a technician to provision a loop, Verizon must “tag” the provisioned loop to allow Covad to find the newly provisioned loop, as opposed to having to search through a virtual bird’s nest of wires. In cases in which Verizon provisions a loop without sending a technician, Verizon must provide Covad sufficient information to allow Covad to locate the circuit being provisioned.

**Verizon Position.** As an initial matter, and as noted above, the agreed-upon language in § 3.13.13 of the UNE Attachment is limited to “the former Bell Atlantic Service Areas only.” Because Verizon’s territory in Florida is not part of the former Bell Atlantic Service Areas, there is no open issue in this proceeding with respect to this section.

As with other issues raised in this proceeding, the procedures for enabling an ALEC to locate the loops that Verizon provisions should not be established on an interconnection-agreement-by-interconnection-agreement basis. Instead, any such procedures should be worked out collaboratively with all ALECs, so that a uniform process may be employed. In any event, Verizon already tags loops that it provisions if it dispatches a technician and offers Covad the opportunity to request that Verizon tag a loop on a no-dispatch order (in which case, Verizon will dispatch a technician to tag the loop and Covad will be charged for the dispatch). In the event that Covad does not request Verizon to tag a loop on a no-dispatch order, the FCC has recently reaffirmed that Verizon is required only to provide an ALEC “with the same general information regarding the location of demarcation points that is available to [the ILEC’s] own employees and in the same timeframe.” *BellSouth Five-State 271 Order* ¶ 143. Verizon already provides Covad with this information and therefore satisfies its obligations under federal law.

**Contract Reference.** UNE Attachment, § 3.13.13

**32. What terms, conditions and intervals should apply to Verizon’s manual loop qualification process?**

**Covad Position.** In instances when Verizon rejects a Covad mechanized loop qualification query, Covad should be allowed to submit an “extended query” to Verizon at no additional charge. Such a query could avoid the need for, and costs of, manual loop qualification. Covad should be able to submit either an extended query or a manual loop qualification request in instances when the Verizon customer listing is defective, not just in cases where the Verizon database does not contain a listing. Finally, Verizon should complete Covad’s manual loop qualification requests within one business day.

**Verizon Position.** Covad’s proposals are generally inapplicable to the procedures that Verizon provides for retail and ALEC loop qualification requests in Florida. Verizon has

no “extended query” transaction in Florida — that transaction is offered by the OSS employed in Verizon’s former Bell Atlantic Service Areas. The single electronic loop qualification transaction that Verizon offers to itself and to ALECs in Florida not only provides all the information that is provided by the various electronic transactions offered in Verizon’s former Bell Atlantic Service Areas, but also provides information that is usually only available on a manual basis in those areas. For this reason, Verizon does not offer a manual loop qualification process in Florida. Nonetheless, as an exceptions process, Verizon will manually investigate loop qualification information on particular loops for both for its retail DSL service and for ALECs, and will provide to both any information found in substantially the same time and manner. Verizon will also update its OSS with the information found.

In addition, Covad’s proposal is contrary to law. The FCC has recently reaffirmed that an ILEC’s obligation with respect to loop qualification information is to provide ALECs with nondiscriminatory access to the information that the ILEC has compiled. The FCC “has never required incumbent LECs to ensure the accuracy of their loop qualification databases.” *BellSouth Five-State Order* ¶ 142. Accordingly, there is no basis to Covad’s asserted right to be able to obtain loop qualification information at no cost in cases where the information that Verizon returns through the mechanized transaction is “defective.” In addition, Covad’s proposal to establish a one-business-day standard for manual loop qualifications should be rejected even if Verizon offered such a process in Florida. First, as with other issues raised in this proceeding, standards in which processes must be performed should be set on an industry-wide basis, not on an interconnection-agreement-by-interconnection-agreement basis. Second, Verizon’s obligation is only to provide information to Covad in substantially the same time that it provides such information to itself; Covad is not entitled to receive such information in shorter intervals.

**Contract Reference.** UNE Attachment, § 3.13.5

**33. Should the Agreement allow Covad to contest the prequalification requirement for an order or set of orders?**

**Covad Position.** Yes. For certain order types, Verizon has agreed to accept Covad service orders without regard to whether they have been prequalified. However, Covad seeks language that would preserve its right to contest the prequalification “requirement” for an order or set of orders. Covad seeks this right because Verizon’s prequalification tool has proven to be unreliable on certain orders types. In the event Covad uncovers significant and pervasive problems with Verizon’s prequalification tool for an order or sets of order, Covad seeks to reserve its right to contest any requirement that such orders must pass prequalification.

**Verizon Position.** It is essential that orders for advanced services be provisioned on loops that possess the appropriate technical capabilities. Accordingly, Verizon expects that ALECs have prequalified their xDSL orders before submitting them. If Covad seeks to dispute Verizon’s determination that a particular loop or set of loops does not meet the necessary technical specifications to handle the advanced services that Covad seeks to

provide, then Covad may challenge those findings. But Covad should not be permitted to eliminate entirely the prequalification requirement for a particular class of loops.

**Contract Reference.** UNE Attachment, § 3.13.7

**34. In what interval should Verizon provision loops?**

**Covad Position.** Verizon should provision loops within the shortest of either: (1) the interval that Verizon provides to itself, or (2) the Commission-adopted interval, or (3) ten business days for loops needing conditioning, five business days for stand-alone loops not needing conditioning, and three business days for line shared loops not needing conditioning. These intervals are reasonable and ensure that Covad receives reasonable and nondiscriminatory access to UNE loops.

**Verizon Position.** There is no dispute among the parties with respect to the requirement that Verizon provision loops within the shorter of the interval that Verizon provides to itself or the Commission-adopted interval. The dispute between the parties centers around whether the Commission should adopt intervals for loops that are unique to Covad's orders. There is no basis in federal law for Covad to obtain an interval that is shorter than the interval that Verizon provides to itself (for products with retail analogs) or the interval that this Commission establishes for all ALECs (for products with no retail analog). Instead, Covad should obtain the same nondiscriminatory intervals available to all other ALECs.

Covad's proposed changes to §§ 3.13.10 and 4.4.6 also eliminate language from those provisions that is not discussed in Covad's summary of the issues. Specifically, Covad has proposed the deletion of language stating that the applicable interval for provisioning a loop does not include any time necessary for engineering and conditioning. Although Verizon will perform such engineering and conditioning work to enable a loop to handle the service that Covad has ordered, that work is not part of the normal provisioning process and Verizon should have additional time in which to complete that work.

**Contract Reference.** UNE Attachment, §§ 3.13.10, 3.14, 4.4.6

**35. Under what terms and conditions should Verizon conduct line and station transfers ("LSTs") to provision Covad loops?**

**Covad Position.** Consistent with the nondiscrimination provisions of the Act, when provisioning T1s or xDSL loops, after obtaining Covad's approval, Verizon should perform LSTs at no additional charge if Verizon does not charge its own customers for performing such work. Covad also believes that, except in line sharing situations, the standard provisioning interval should not change based on Verizon's need to conduct LSTs. Such work is routinely done by Verizon to provision loops and should already be captured by the standard interval. In fact, Verizon's retail provisioning intervals do not vary depending on whether it must conduct an LST for its retail end users.

**Verizon Position.** Verizon will conduct an LST if the loop currently serving an end user cannot handle the service that Covad has ordered and there is a spare loop that meets the

necessary technical specifications for that service. The LST enables Verizon to complete Covad's order by rearranging the loops. Verizon began performing LSTs as a matter of course when provisioning ALECs' orders because ALECs, including Covad, requested that Verizon take the steps necessary to provision their orders successfully. Verizon is developing a uniform process by which ALECs would indicate, on an order-by-order basis, whether they wish to have an LST performed. However, Covad and other ALECs should be required to pay for any LSTs performed, as such activity constitutes additional work that Verizon is not required to perform in order to provide unbundled access to its network. Finally, because performing an LST can add additional time to the provisioning process, Verizon should have additional time to perform an LST when it is required to provision an ALEC's order.

**Contract Reference.** UNE Attachment, §§ 3.13.4, 3.13.12, 3.18 (proposed),<sup>8</sup> 4.4.6

**36. Should Verizon be obligated to provide “Line Partitioning” (i.e., line sharing where the customer receives voice services from a reseller of Verizon’s services)?**

**Covad Position.** Yes. Verizon should be obligated to offer a form of line sharing, called Line Partitioning, where end users receive voice services from a reseller of Verizon local services. There is no reason to deny competitive DSL service to end users who choose to purchase local voice services from a reseller, rather than Verizon.

**Verizon Position.** No. Federal law on this point is clear. Verizon has no obligation to provide line sharing — or “line partitioning,” to use Covad’s terminology — where another carrier provides voice service on a loop. *See Line Sharing Order*<sup>9</sup> ¶ 72; *Texas 271 Order*<sup>10</sup> ¶ 330. ALECs may resell Verizon’s retail DSL service over resold lines, so end users that purchase their voice service from a reseller are able to obtain DSL services on a competitive basis.

**Contract Reference.** UNE Attachment, § 4.2.1 (proposed)

**37. What should the interval be for Covad’s line sharing Local Service Requests?**

**Covad Position.** If a loop is mechanically prequalified by Covad, Verizon should return an LSR confirmation within two business hours for all Covad LSRs. This interval is

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<sup>8</sup> Attachment C to Covad’s Petition does not contain a proposed § 3.18 to the UNE Attachment.

<sup>9</sup> *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, Third Report and Order in CC Docket No. 98-147, Fourth Report and Order in CC Docket No. 96-98, 14 FCC Rcd 20912 (1999) (“*Line Sharing Order*”), *vacated and remanded*, *United States Telecom Ass’n v. FCC*, 290 F.3d 415 (D.C. Cir. 2002).

<sup>10</sup> *Application by SBC Communications Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services In Texas*, Memorandum Opinion and Order, 15 FCC Rcd 18354 (2000).

reasonable and would ensure that Covad is provided reasonable and nondiscriminatory access to Verizon's OSS.

**Verizon Position.** See Verizon's response to Issue 13.

**Contract Reference.** UNE Attachment, § 4.4.3

**38. What interval should apply to collocation augmentation where a new splitter is installed?**

**Covad Position.** Verizon should provision such augmentation in 45 days. This interval is reasonable and would ensure that Covad is provided reasonable and nondiscriminatory access to UNEs.

**Verizon Position.** The intervals provided for in Verizon's effective collocation tariff in Florida (§ 19) should apply to collocation augments that Covad orders, including when Covad seeks to have Verizon install a new splitter. All the collocation-related terms and conditions that apply to Covad should be the same as those contained in the Commission-approved tariff. Contrary to Covad's claim, only then would it be "provided reasonable and nondiscriminatory access to UNEs." Indeed, by suggesting that the terms and conditions under which Verizon is required to provide collocation should be set on an interconnection-agreement-by-interconnection-agreement basis, Covad is suggesting that it is entitled to preferential treatment.

**Contract Reference.** UNE Attachment, § 4.7.2

**39. Should Covad be permitted to access loops for testing purposes?**

**Covad Position.** Yes. Consistent 47 C.F.R. § 51.[3]19(h)(7)(i), Covad should be allowed to supply its own test head for non-line shared loops, as it has a right to access its loops for testing purposes. Covad should have access to its stand-alone loops for testing purposes and should be able to test them in the manner it sees fit to assure that its customer's are provided reliable service.

**Verizon Position.** Covad's description of this issue bears little relation to its proposed change to the agreement language. As an initial matter, this dispute pertains only to line shared loops (indeed, § 4 of the UNE Attachment is the line sharing section; it would make little sense to include language related to non-line shared loops in this section of the agreement). Furthermore, § 4.8.1 — which is not subject to dispute here — already permits Covad to use its own test head for line shared loops in Verizon end offices where Verizon employs a POT Bay for interconnection of a Covad collocation arrangement with Verizon's network. Under § 4.8.2, Covad may not use its own test head where Verizon has not employed a POT Bay for interconnection of a Covad collocation arrangement with Verizon's network. However, Verizon will make available to Covad an on-line, electronic test system for those lines.

Covad has proposed to specify in § 4.8.2 that the inability to use its own test head pertains only to line shared loops. Verizon believes that this is already clear from the

context of the section, but would not object to the inclusion of this language, which does not change the meaning of the provision. Covad has further proposed to add language stating that it may use Verizon's on-line test system at no charge. Verizon opposes this provision, which Covad does not defend, and for which there is no basis. Finally, Covad proposes to add language stating that the inclusion of § 4.8.2 in the agreement does not constitute Covad's acknowledgement that Verizon has satisfied its obligations under 47 C.F.R. § 51.319(h)(7)(i). But Verizon has clearly done so. That section requires ILECs to provide "test access points . . . at the splitter . . . or through a standardized interface, such as . . . a test access server." 47 C.F.R. § 51.319(h)(7)(i) (emphasis added). Accordingly, there is no basis for Covad's proposed language.

**Contract Reference.** UNE Attachment, § 4.8.2

### **DARK FIBER ISSUES**

**40. Should Verizon provide dark fiber pursuant to rates, terms and conditions in applicable tariffs that are inconsistent with the Principal Document?**

The parties have resolved this issue.

**Contract Reference.** UNE Attachment, § 8.1

**41. Should Verizon provide Covad access to unterminated dark fiber as a UNE? Should the dark fiber UNE include unlit fiber optic cable that has not yet been terminated on a fiber patch panel at a pre-existing Verizon Accessible Terminal?**

**Covad Position.** The Agreement should clarify that Verizon's obligation to provide UNE dark fiber applies regardless of whether any or all fiber(s) on the route(s) requested by Covad are terminated. The FCC's definition of dark fiber includes both terminated and unterminated dark fiber. Fiber facilities still constitute an uninterrupted pathway between locations in Verizon's network whether or not the ends of that pathway are attached to a fiber distribution interface ("FDI"), light guided cross connect ("LGX") panel, or other facility at those locations. In addition, the termination of fiber is an inherently simple and speedy task.

Verizon's termination requirement would allow it unilaterally to protect every strand of spare fiber in its network from use by a competitor by simply leaving the fiber unterminated until Verizon wants to use the facility.

**Verizon Position.** Covad is simply wrong in claiming that the FCC's definition of dark fiber includes both terminated and unterminated dark fiber. The *UNE Remand Order*<sup>11</sup> defines dark fiber as "unused loop capacity that *is physically connected to facilities* that

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<sup>11</sup> *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696 (1999) ("*UNE Remand Order*"), *petitions for review granted, United States Telecom Ass'n v. FCC*, 290 F. 3d 415 (D.C. Cir. 2002).

the incumbent LEC currently uses to provide service; was installed to handle increased capacity and can be used by competitive LECs *without installation by the incumbent.*” *UNE Remand Order* ¶ 174 n.323 (emphases added). Moreover, as described above, the law is clear that Verizon is not required to construct new UNEs for an ALEC. *See, e.g., Virginia Arbitration Order* ¶ 468 (“Verizon is also correct that the Act does not require it to construct network elements, including dark fiber, for the sole purpose of unbundling those elements for . . . other carriers.”).

As noted above, the FCC’s definition of the “dark fiber” unbundled network element fully reflects this “no-build” rule. Fiber that has not been installed between two terminals (for example, between two end offices or between an end office and a customer premises) does not meet the FCC’s definition because it is *not* physically connected to facilities used to provide service and *cannot* be used by *anyone* without installation by Verizon. The FCC expressly held that dark fiber must “connect[] two points within the incumbent LEC’s network” to be fully installed and available as a UNE. *UNE Remand Order* ¶ 325. Fiber that does not extend from one terminal to another does not *connect* any point in the network to any other point in the network (and thus is physically incapable of carrying traffic). Such fiber, therefore, does not fall within the FCC’s definition: it is not “an uninterrupted pathway between locations in Verizon’s network,” as Covad claims. In fact, the FCC stated that “dark fiber” is a “network element” within the meaning of § 153(29) of the Act *only* if it is both “physically connected to the incumbent’s network and is *easily called into service.*” *Id.* ¶ 328 (emphasis added). If additional construction is required to complete an end-to-end route and make fiber ready for use, that fiber is not yet a network element under the FCC’s definition.

Covad claims that terminating fiber at an accessible terminal is “an inherently simple and speedy task” and that Verizon supposedly would “protect every strand of spare fiber in its network from use by a competitor by simply leaving the fiber unterminated until Verizon wants to use the facility.” Covad’s claim, however, does not reflect the manner in which Verizon actually constructs fiber facilities in its network. Verizon does not construct new fiber optic facilities to the point where the *only* remaining work item required to make them available and attached end-to-end to Verizon’s network is to terminate the fibers onto fiber distributing frame connections at the customer premises.

**Contract Reference.** UNE Attachment, § 8.2.2

**42. Should Covad be permitted to access dark fiber in any technically feasible configuration consistent with Applicable Law?**

**Covad Position.** Yes. Covad should be able to access dark fiber at any technically feasible point, which is the only criterion that Congress adopted for determining where carriers may access the incumbent’s network. Verizon’s attempt to limit access to dark fiber at central offices and via three defined products would diminish Covad’s rights to dark fiber under Applicable Law.

**Verizon Position.** Covad’s description of this issue is inconsistent with its proposed contract language in § 8.1.5 of the UNE Attachment. “Dark fiber” is not a separate,



stand-alone UNE under the FCC's rules. To the contrary, dark fiber is available to an ALEC *only* to the extent that it falls within the definition of specifically designated UNEs set forth in 47 C.F.R. § 51.319(a) and (d) — in particular, the loop network element, subloop network element, or interoffice facilities (“IOF”). Verizon's proposed contract language allows Covad to obtain access to dark fiber loops, subloops, and IOF, as those network elements are specifically defined by the FCC. That is all that applicable law requires. Covad's proposed § 8.1.5, which purports to expand Covad's right to dark fiber beyond the loop, subloop, or IOF network elements, is inconsistent with the FCC's rules implementing § 251(c)(3) of the Act.

In addition, Covad's proposed modification to the definition of dark fiber loops in § 8.1.1 of the UNE Attachment is inaccurate and confusing. Section 51.319(a)(1) of the FCC's rules defines the loop network element as “a transmission facility between a distribution frame (or its equivalent) in an incumbent LEC central office and the loop demarcation point at an end-user customer premises, including inside wire owned by the incumbent LEC.” 47 C.F.R. § 51.319(a)(1). Verizon's proposed contract language in § 8.1.1 follows this definition, describing a dark fiber loop as unlit fiber optic strands “between Verizon's Accessible Terminal, such as the fiber distribution frame, or its functional equivalent, located within a Verizon Wire Center [*i.e.*, a “central office”], and Verizon's main termination point at a Customer premise, such as the fiber patch panel located within a Customer premise.” Covad, however, expands this definition to include unlit fiber optic strands at a “Verizon Wire Center or other Verizon premises in which Dark Fiber Loops terminate.” In other words, Covad would define a dark fiber “loop” as any dark fiber that extends between a terminal located somewhere other than the central office (*i.e.*, a “remote terminal”) and the customer premises. What Covad is describing, however, is not a “loop” at all, but a “subloop,” which is already covered under § 8.1.2 of the UNE Attachment. In particular, § 8.1.2(b) defines a dark fiber subloop to include dark fiber strands “between Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure and Verizon's main termination point located within a Customer premise.” Therefore, Covad's proposed modification to Verizon's proposed contract language is unnecessary to provide Covad with access to dark fiber at accessible terminals outside a Verizon central office.

**Contract Reference.** UNE Attachment, §§ 8.1.1, 8.1.5 (proposed)

43. **Should Verizon make available dark fiber that would require a cross connection between two strands of dark fiber in the same Verizon central office or splicing in order to provide a continuous dark fiber strand on a requested route? Should Covad be permitted to access dark fiber through intermediate central offices?**

**Covad Position.** The Agreement should clarify that Verizon's obligation to provide UNE dark fiber includes the duty to provide any and all of the fibers on any route requested by Covad regardless of whether individual segments of fiber must be spliced or cross connected to provide continuity end to end. This provision is consistent with the FCC's rules governing nondiscriminatory access to UNEs. Verizon should be required to splice because Verizon splices fiber for itself when provisioning service for its own customers and affiliates. In addition, according to usual engineering practices for

carriers, two dark fiber strands in a central office can be completed by cross-connecting two dark fiber strands with a jumper. The FCC, acting as the arbitrator for the state of Virginia, has determined that Verizon may not decline to cross connect fiber to complete a route. *Virginia Arbitration Order*, at ¶ 457. It is Covad's position, and the FCC agreed, that Verizon's refusal to route dark fiber transport through intermediate central offices places an unreasonable restriction on the use of fiber, and thus conflicts with FCC rules 51.307 and 51.311. *Virginia Arbitration Order*, at ¶ 457.

**Verizon Position.** Covad's description of this issue improperly conflates two separate issues: (1) whether Verizon is required to splice fiber together to create new continuous routes for Covad, and (2) whether Verizon will cross-connect two existing, fully-terminated dark fiber IOF strands for an ALEC at an intermediate central office without requiring Covad to collocate at the intermediate central office.

With respect to the first issue, Covad's claim has been squarely rejected in the order that Covad cites. See *Virginia Arbitration Order* ¶¶ 451-453. If fiber optic strands must be spliced together end-to-end to create a continuous, uninterrupted transmission path, that fiber route is not yet fully constructed, and does not meet the definition of dark fiber. As explained above, the law is clear that Verizon is not required to construct new UNEs for an ALEC; nor is an ILEC required to splice new fiber routes for an ALEC.

With respect to the second issue, however, Verizon will propose new contract language that would allow Covad to order dark fiber on an indirect route basis, without having to collocate at intermediate central offices. Verizon would provide fiber optic cross-connects to join two terminated dark fiber IOF strands at the intermediate central offices.

**Contract Reference.** UNE Attachment, §§ 8.1.1, 8.1.2, 8.1.3, 8.1.4, 8.2.1, 8.2.2, 8.2.3, 8.2.4, 8.2.9

44. **Should Verizon be obligated to offer Dark Fiber Loops that terminate in buildings other than central offices?**

**Covad Position.** Yes. Covad should be able to access Dark Fiber Loops without regard to whether they terminate in central offices or other buildings (that effectively perform the functions of a central office for the Dark Fiber Loop).

**Verizon Position.** Verizon's proposed § 8.1.1 of the UNE Attachment provides that Covad may access dark fiber loops at an accessible terminal in a Verizon Wire Center. "Wire Center" is defined in § 2.115 of the Glossary Attachment as "[a] building or portion thereof which serves as a Routing Point for Switched Exchange Access Service. The Wire Center serves as the premises for one or more Central Offices." Furthermore, the definition of "Central Office" in § 2.20 of the Glossary Attachment states that "[s]ometimes this term is used to refer to a telephone company building in which switching systems and telephone equipment are installed." Thus, the definition of a "Verizon Wire Center" includes any Verizon premises that houses a switch and thus acts as a "Central Office." More importantly, however, Verizon's definition of "Dark Fiber Loops" in § 8.1.1 is fully consistent with § 51.319(a)(1) of the FCC's rules, which

defines the loop network element as “a transmission facility between a distribution frame (or its equivalent) *in an incumbent LEC central office* and the loop demarcation point at an end-user customer premises, including inside wire owned by the incumbent LEC.” 47 C.F.R. § 51.319(a)(1) (emphasis added).

Covad’s proposed modification to the definition of “Dark Fiber Loops” in § 8.1.1 is inaccurate and confusing, for the reasons explained above in Verizon’s response to Issue 42. What Covad is seeking at “other Verizon premises” where the fiber is terminated is not a “loop” at all, but a “subloop,” which is already covered under § 8.1.2 of the UNE Attachment. In particular, § 8.1.2(b) defines “Dark Fiber Subloops” to include dark fiber strands “between Verizon’s Accessible Terminal at a Verizon remote terminal equipment enclosure and Verizon’s main termination point located within a Customer premise.” Covad should not be permitted to conflate the definitions of Dark Fiber Loops and Dark Fiber Subloops in this manner.

**Contract Reference.** UNE Attachment, § 8.1.1

45. **Should Covad be permitted to request that Verizon indicate the availability of dark fiber between any two points in a LATA without any regard to the number of dark fiber arrangements that must be spliced or cross connected together for Covad’s desired route?**

**Covad Position.** It is Covad’s position and the FCC found that requiring a requesting carrier to submit separate requests for each leg of a fiber route places unreasonable burden on carriers that is not comparable to Verizon’s own information about and access to its fiber, and is therefore discriminatory. *Virginia Arbitration Order*, at ¶ 457.

**Verizon Position.** As described in response to Issue 43, Verizon will propose new language for § 8.2.5 that would allow Covad to request information about and/or order dark fiber on an indirect route basis, without having to collocate at intermediate central offices. In the event that Covad wishes to order dark fiber IOF on an indirect route basis, Verizon would provide fiber optic cross-connects to join the terminated dark fiber IOF strands at the intermediate central offices.

Reasonable limitations on this offering, however, are necessary. Indeed, the FCC’s Wireline Competition Bureau did not indicate that Verizon’s obligation to cross-connect fiber at intermediate offices for an ALEC requires Verizon to provide fiber along indirect routes through an unlimited number of intermediate offices, especially when it would result in inefficient use of scarce fiber cable resources or would require the use of optical repeaters to carry light end-to-end (which necessarily requires collocation by the ALEC at an intermediate office along the route). As set forth above in Verizon’s proposed new language, Verizon reserves the right to limit the number of intermediate central offices on an indirect route consistent with limitations in Verizon’s network design and/or prevailing industry practices for optical transmission applications. Verizon will discuss with Covad any limitations on the number of intermediate offices along an indirect route to permit Covad to make any necessary collocation decisions.

**Contract Reference.** UNE Attachment, §§ 8.2.3, 8.2.5

46. **Should Verizon provide Covad detailed dark fiber inventory information?**

**Covad Position.** Yes. In order to meaningfully utilize dark fiber, Covad must be able to know where and how much dark fiber exists in the network in order to develop its business and network plans, evaluate competitive customer opportunities, and otherwise truly utilize dark fiber as a component of a network build out strategy. Verizon must provide Covad detailed dark fiber inventory information, including, but not limited to, field surveys and access to maps of routes that contain available dark fiber by LATA and availability of dark fiber between any two points in a LATA without regard to the number of dark fiber arrangements that must be spliced or cross connected together for Covad's desired route. Verizon performs field surveys for itself to determine the quality, sufficiency, and transmission characteristics of dark fiber. The FCC has made plain that Verizon must provide to Covad the same detailed underlying information regarding the composition and qualifications of the loop that Verizon itself possesses. *Virginia Arbitration Order*, at ¶ 473.

**Verizon Position.** Verizon's obligation to provide information regarding its dark fiber inventory does not compel Verizon to provide to ALECs information that Verizon itself does not possess. In its proposed § 8.2.5.1, Covad demands that Verizon provide "maps of routes that contain available Dark Fiber IOF by LATA for the cost of reproduction." Verizon, however, does not have such "maps" available for its own use that show what dark fiber is available along each route in Verizon's network, and does not have the ability to provide such nonexistent "maps" for the cost of "reproduction" (there is nothing to "reproduce"). Indeed, Verizon does not have the ability to provide this information. The availability of dark fiber at specific locations changes on a day-to-day basis based on the needs of Verizon, ALECs, IXC's, and other customers for lit fiber services, as well as on-going construction activities. If Verizon were to provide a snapshot picture of all available dark fiber in Florida at any given time — which it cannot do — Covad could not assume that such dark fiber would be available when and if Covad later decides to place an order. In fact, because Verizon must review its records manually on a route-by-route basis to determine the availability of dark fiber, by the time Verizon finished a review of the entire state, the results would *already* be outdated. Therefore, requiring Verizon to provide Covad information identifying all available dark fiber in Florida not only would be unduly burdensome and costly for Verizon, but the information would be useless to Covad as soon as it was received.

In addition, for the reasons set forth in Verizon's response to Issue 43 and 45, Covad's proposed modifications to § 8.2.5 of the UNE Attachment are unnecessary (and, insofar as they purport to require Verizon to splice fiber for Covad, are inconsistent with applicable law). Verizon will propose language such that, if no direct route is available between the A to Z points requested by Covad, Verizon will search for reasonable indirect routes without requiring Covad to submit additional dark fiber inquiries.

Finally, Verizon notes that the agreed-upon language in § 8.2.8 of the UNE Attachment limits any obligations with respect to field surveys to "the former Bell Atlantic

jurisdictions.” Because Verizon’s territory in Florida is not part of the former Bell Atlantic Service Areas, there is no open issue in this proceeding with respect to field surveys.

**Contract Reference.** UNE Attachment, §§ 8.2.5, 8.2.8.1 (proposed), 8.2.5.1 (proposed)

47. **Should Verizon’s responses to field surveys requests provide critical information about the dark fiber in question that would allow Covad a meaningful opportunity to use it?**

**Covad Position.** Verizon should be required to provide certain critical information about dark fiber via a response to a field survey request that allows Covad a meaningful opportunity to use dark fiber. Covad pays Verizon a nonrecurring charge to perform field surveys and should receive critical fiber specifications, including whether fiber is dual window construction; the numerical aperture of the fiber; and the maximum attenuation of the fiber. Verizon has an obligation to provide Covad parity access to dark fiber information under the FCC’s rules. Based on Covad’s experience, unless specific types of data are explicitly listed and described in an agreement or commission order, Verizon will simply deny access to that data.

**Verizon Position.** As an initial matter, as noted above, the agreed-upon language in § 8.2.8 of the UNE Attachment limits any obligations with respect to field surveys to “the former Bell Atlantic jurisdictions.” Because Verizon’s territory in Florida is not part of the former Bell Atlantic Service Areas, there is no open issue in this proceeding with respect to field surveys. Moreover, the type of detailed technical information requested by Covad in its proposed § 8.2.8.1 to the UNE Attachment is not the type of detail that should be defined on an interconnection-agreement-by-interconnection-agreement basis. Indeed, at this time, Verizon does not know whether it has the capability of providing the type of information requested by Covad. “Parity” access to dark fiber information does not include access to information that Verizon does not track for itself.

**Contract Reference.** UNE Attachment, § 8.2.8.1 (proposed)

48. **Should Verizon be permitted to refuse to lease up to a maximum of 25% of the dark fiber in any given segment of Verizon’s network?**

**Covad Position.** No. Any and all dark fiber deployed by Verizon is subject to unbundling pursuant to the Act and FCC regulations. Verizon should not be able to take away Covad’s ability to obtain dark fiber in a manner that will enable Covad to compete. Indeed, the improper exclusion of fiber will violate federal law defining UNE dark fiber unbundling requirements. Moreover, Covad is concerned with its ability to verify the accuracy of Verizon’s reporting and method of calculation with respect to a 25% limit on dark fiber.

**Verizon Position.** Yes. Contrary to Covad’s claim, Verizon’s proposed limitation does not violate the FCC’s unbundling rules. To the contrary, the FCC has ruled that state commissions retain the flexibility to establish reasonable limitations and technical parameters for dark fiber unbundling. *See UNE Remand Order ¶¶ 199, 352.* Verizon’s

contract language is patterned after the 25-percent cap on dark fiber established by the Texas Public Utility Commission in 1996, which the FCC expressly approved. *Id.* ¶ 352 n.694 (finding that “the measures established by the Texas PUC address the incumbent LEC’s legitimate concerns”).

Dark fiber is a scarce resource in Verizon’s network. Verizon’s proposed limit of 25 percent of fiber on a given route is a reasonable anti-warehousing provision that prevents one ALEC from occupying all available dark fiber in a particular area and excluding entry by other carriers. It does not reserve even a single strand of fiber for Verizon. This 25-percent limit does not impose any practical limitation on Covad’s ability to provide service to its customers, given the huge bandwidth of fiber. In fact, such a limit would encourage Covad and other ALECs to utilize fiber more efficiently so as to maximize the resources available for all telecommunications companies in Florida.

Covad’s concerns about reporting or “method of calculation” of the 25-percent limit are unfounded. If a fiber route consists of a 24-strand cable, Covad may lease up to 6 fibers on that route. The calculation is neither complex nor subject to interpretation.

**Contract Reference.** UNE Attachment, § 8.2.15

**49. Should Verizon be permitted to reclaim dark fiber upon 12 months advanced notice to Covad?**

**Covad Position.** With respect to Verizon’s ability to reclaim dark fiber from a CLEC, Covad has requested that Verizon reclaim dark fiber previously provisioned to Covad only after 24 months advanced written notice to Covad and only if necessary to meet documented actual demand. Having fiber that Covad is using reclaimed by Verizon can only undercut Covad’s ability to reasonably rely upon and deploy a network based on the supply of fiber facilities. The issue is not whether Verizon is entitled to reclaim dark fiber, but whether Verizon should provide commercially reasonable notice to Covad of the proposed reclamation.

**Verizon Position.** Covad does not dispute that Verizon may, upon a showing of need to the Commission, reclaim fiber facilities that it has leased to Covad as dark fiber. In the event that Verizon petitions the Commission for such relief, 12 months advance notice to Covad is commercially reasonable and provides Covad with adequate time to migrate services provisioned on that fiber to alternative facilities. If Covad needs additional time to migrate its services, it may raise its concerns with the Commission, and the Commission may decide — based upon the needs of both Verizon and Covad — whether to afford Covad additional time. Setting the default at 24 months (two years), however, unreasonably restricts Verizon’s ability to reclaim fiber facilities to meet its carrier-of-last-resort obligations.

**Contract Reference.** UNE Attachment, § 8.2.15.1

## RESALE

50. **Should Verizon provide Covad direct notification within one business day of end users switching from Verizon Telecommunications Services that Covad resells to a retail Verizon Service?**

**Covad Position.** Yes. Covad needs to know when its end users have returned to Verizon so that Covad can cease billing them.

**Verizon Position.** Verizon provides ALECs with line loss notifications when an ALEC's customer switches to another carrier — whether Verizon or a different ALEC. Verizon's line loss notifications are generated once its billing systems are updated to reflect the new carrier as the service provider on the line. Verizon's retail division receives line loss notifications at the same point in the provisioning process when a Verizon retail customer switches to an ALEC. The FCC has repeatedly reviewed and approved Verizon's line loss notification process. *See, e.g., Pennsylvania 271 Order ¶ 52; Massachusetts 271 Order*<sup>12</sup> ¶ 100. Covad proposes a radical restructuring of the line loss notification process. It would require notification that one of its customers had placed an order with Verizon at least one day *prior* to the provisioning of that order. (For reasons that are unexplained, under Covad's proposed language it would not receive line loss notifications if one of its customers switched to another reseller.) Yet the line is not lost until after it is provisioned — customers can change their minds at any time prior to that point. Accordingly, if Verizon sent Covad notification prior to the provisioning of the order, Covad might cease billing a customer that, in the end, decided to stay with Covad. Finally, because Verizon's current line loss notifications, for both retail and ALECs, are triggered by an update to the billing systems, which occurs after the line is provisioned, Covad's proposal would require Verizon to develop an entirely new OSS system, solely to provide Covad with these potentially inaccurate pre-loss notifications.

**Contract Reference.** Resale Attachment, § 5.3

## PRICING ISSUES

51. **Should the Agreement provide that Covad will pay only those UNE rates that are approved by the Commission (as opposed to rates that merely appear in a Verizon tariff)?**

**Covad Position.** Yes. The charges for a service shall be the Commission or FCC approved charges and should be accurately represented and warranted in Appendix A to the Agreement to the extent such rates are available. To the extent certain charges for a service have not yet been approved by the Commission or the FCC, when such rates are approved Verizon should be required to apply them retroactively starting on the effective

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<sup>12</sup> *Application of Verizon New England Inc., et al., For Authorization to Provide In-Region, InterLATA Services in Massachusetts*, Memorandum Opinion and Order, 16 FCC Rcd 8988 (2001)

date of the Agreement. Verizon should provide a refund to Covad of over-charged rates if necessary.

Verizon should not be able, by the mere filing of a tariff, to negate the established and effective rates contained in the Interconnection Agreement. Covad must be able to rely on the rates established by this Commission and contained in the Agreement. Otherwise, the Commission's rates and the rates in the Agreement are little more than placeholders, until Verizon determines to impose a different rate. Second, Verizon's position would require Covad and other CLECs to become "tariff police" who must scour every tariff filing Verizon makes with the Commission to find any page or paragraph which may impact Covad's interests.

**Verizon Position.** Covad's claim that Verizon should be required to warrant that charges set forth in the agreement are the approved charges for service is frivolous: Verizon's tariffed charges are publicly filed and available on the Internet; Covad can easily confirm the accuracy of any charges, and Verizon would be happy to provide assistance in the course of good-faith negotiations. And Verizon cannot be required to provide a refund of charges duly imposed pursuant to a filed tariff absent an appropriate Commission or FCC order issued under appropriate statutory authority.

Where there is a generally applicable rate for a service, effective under the laws of Florida or federal law, and subject to the rigorous process of regulatory review provided for under state and federal law, that rate should govern. Covad's effort to portray this provision as giving Verizon the ability to modify rates contained in the agreement unilaterally is incorrect. Under Verizon's proposal, only tariffs that this Commission or the FCC has allowed to go into effect can supersede a rate contained in the agreement. Covad's proposal would permit Covad to game the system by seeking to maintain rates that are more favorable than those available to all other ALECs in Florida simply based on an accident of timing.

Finally, to the extent that rates are set forth in Appendix A to the Pricing Attachment, rather than in a generally applicable tariff, Covad has not raised a dispute with respect to any of those rates. Accordingly, these are agreed-upon rates and, therefore, are binding upon the approval of this agreement by this Commission. These rates will be superseded by any new rates that are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC. There is no basis, however, to suggest that either party is entitled to retroactive application of those rates.

**Contract Reference.** Pricing Attachment, §§ 1.3, 1.4, 1.5

**52. Should Verizon provide notice of tariff revisions and rate changes to Covad?**

**Covad Position.** Yes. Verizon typically uses the tariff filings as a vehicle for seeking different UNE rates from the Commission. Covad proposes that Verizon provide direct and meaningful notice of such filings to ensure that Covad can protect its interests. Verizon files a large number of tariffs with the Commission and it is unreasonable to



expect that Covad can devote substantial resources to obtain and review all those various filings, or else risk having such tariff amendment become effective as filed with no further regulatory review. Verizon also should update the Pricing Appendix of the Agreement on an informational basis when the Commission orders new rates.

**Verizon Position.** Verizon already provides public notice to its customers, including wholesale customers, of its tariff filings. Verizon should not also be required to provide individualized notice to each of the ALECs operating in Florida. When a tariff is approved, Covad is just as able as Verizon to make informational updates to the parties' Pricing Appendix. Verizon should not be required to perform such administrative tasks on Covad's behalf.

**Contract Reference.** Pricing Attachment, § 1.9 (proposed)

### **COLLOCATION ISSUES**

53. **Should Verizon provide collocation to Covad pursuant to Commission-approved tariffs?**

The parties have resolved this issue.

**Contract Reference.** Collocation Attachment, § 1

54. **Does Covad have an obligation to provide Verizon with collocation pursuant to Section 251(c)(6) of the Act?**

**Covad Position.** No. Covad, as a competitive carrier, cannot be compelled to offer collocation under the Act. *Virginia Arbitration Order*, at ¶ 75. Only incumbent local carriers are obligated to provide collocation to other carriers under Section 251(c)(6) of the Act. If Congress had intended that CLECs should be subject to collocation obligations, it simply would have included collocation obligations under Section 251(b), which delineates the duties of all carriers. Congress chose not to do so.

**Verizon Position.** Verizon recognizes that § 251(c)(6) applies to ILECs and not to ALECs. Nothing in the Act, however, prohibits the Commission from allowing Verizon to interconnect with an ALEC via a collocation arrangement at its premises. By preventing Verizon from doing so, ALECs limit Verizon's interconnection choices. All of the interconnection locations, therefore, would be determined by the ALECs, which gives the ALECs the ability to minimize their own expenses and maximize Verizon's.

**Contract Reference.** Collocation Attachment, § 2

55. **Should the Agreement specify the minimum amount of DC power and additional power increments Covad may order?**

The parties have resolved this issue.

**Contract Reference.** Collocation Attachment, § 3 (proposed)

**Attachment C**  
**Proposed Language Matrix**

Section	Covad Position	Verizon Position	Comments
<b>AGREEMENT</b>			
<b>4. Applicable Law</b>			
4.7	Notwithstanding anything in this Agreement to the contrary, if, as a result of any <u>final and non-appealable</u> legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to Covad hereunder, then Verizon may discontinue immediately the provision of any arrangement for such Service, payment or benefit, except that existing arrangements for such Services that are already provided to Covad shall be provided for a transition period of up to forty-five (45) days, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for termination of such Service in which event such specified period and/or conditions shall apply.	Notwithstanding anything in this Agreement to the contrary, if, as a result of any legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to Covad hereunder, then Verizon may discontinue immediately the provision of any arrangement for such Service, payment or benefit, except that existing arrangements for such Services that are already provided to Covad shall be provided for a transition period of up to forty-five (45) days, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for termination of such Service in which event such specified period and/or conditions shall apply.	
<b>9. Billing</b>			
9.1.1	Neither Party will bill the other Party for previously unbilled charges that are for services rendered more than one year prior to the current billing date.		
9.3	If any portion of an amount billed by a Party under this Agreement is subject to a good faith dispute between the Parties, the billed Party shall give notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. A Party may also dispute prospectively with a single notice a class of charges that it disputes. If the billing Party determines that the Disputed Amounts are not owed to it, it must provide the billed Party information identifying the bill and BAN to which an appropriate credit will be applied.	If any portion of an amount billed by a Party under this Agreement is subject to a good faith dispute between the Parties, the billed Party shall give notice to the billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. A Party may also dispute prospectively with a single notice a class of charges that it disputes. If the billing Party determines that the Disputed Amounts are not owed to it, it must provide the billed Party information identifying the bill and BAN to which an appropriate credit will be applied.	

Section	Covad Position	Verizon Position	Comments
	<p>Notice of a dispute may be given by a Party at any time, either before or after an amount is paid, and. <u>The billing Party shall use a Claim Number specified in the notice of the dispute when referencing the Disputed Amounts with the billed Party. The billing Party shall acknowledge receiving notices of Dispute Amounts within 2 business days. In responding to notices of Disputed Amounts, the billing Party shall provide an explanation for its position within 30 days of receiving the notice.</u></p> <p><u>Aa Party's payment of an amount shall not constitute a waiver of such Party's right to subsequently dispute its obligation to pay such amount or to seek a refund of any amount paid. The billed Party shall pay by the Due Date all undisputed amounts. Billing disputes shall be subject to the terms of Section 14, Dispute Resolution. If the billing Party determines that the disputed amounts are not owed to it, it must provide to the billed Party information identifying the bill and Bill Account Number (BAN) to which an appropriate credit will be applied.</u></p>	<p>Notice of a dispute may be given by a Party at any time, either before or after an amount is paid, and a Party's payment of an amount shall not constitute a waiver of such Party's right to subsequently dispute its obligation to pay such amount or to seek a refund of any amount paid. The billed Party shall pay by the Due Date all undisputed amounts. Billing disputes shall be subject to the terms of Section 14, Dispute Resolution. If the billing Party determines that the disputed amounts are not owed to it, it must provide to the billed Party information identifying the bill and Bill Account Number (BAN) to which an appropriate credit will be applied.</p>	
9.4	<p>If the billing Party fails to receive payment for outstanding charges by the Due Date, it is entitled to assess a late payment charge to the billed Party <u>for all such charges except past late payment charges.</u> The late payment charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month. <u>Late payment charges shall be tolled during any period in which Verizon is analyzing the validity of a bill disputed by Covad and Verizon takes longer than 30 days to provide a substantive response to Covad.</u></p>	<p>If the billing Party fails to receive payment for outstanding charges by the Due Date, it is entitled to assess a late payment charge to the billed Party. The late payment charge shall be in an amount specified by the billing Party which shall not exceed a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month.</p>	
9.5	<p>Although it is the intent of both Parties to submit timely statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, <u>subject to Section 9.1.1 above,</u> and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of</p>	<p>Although it is the intent of both Parties to submit timely statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect</p>	

Section	Covad Position	Verizon Position	Comments
	appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion.	amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion.	
<b>12. Default</b>	If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for <del>thirty (30)</del> <u>sixty (60)</u> days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.	If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.	
<b>14. Dispute Resolution</b>			
<b>14.3</b>	If the issue to be resolved through the negotiations <u>referenced in Section 14 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).</u>		
<b>43.2 Termination/ Assignment Upon Sale</b>	Notwithstanding any other provision of this Agreement, Verizon may <del>assign terminate</del> <u>terminate</u> this Agreement <u>to the purchaser of as to a specific operating territory or portion thereof if Verizon sells or otherwise transfers its operations in such territory or portion thereof to a third-person.</u> Verizon shall provide Covad with 150 calendar days prior written notice, if possible, but not less than 90 calendar days prior written notice, of such <del>assignment</del> <u>termination</u> , which shall be effective upon the date specified in the notice.	Notwithstanding any other provision of this Agreement, Verizon may terminate this Agreement as to a specific operating territory or portion thereof if Verizon sells or otherwise transfers its operations in such territory or portion thereof to a third-person. Verizon shall provide Covad with 150 calendar days prior written notice, if possible, but not less than 90 calendar days prior written notice, of such termination, which shall be effective upon the date specified in the notice.	
<b>48. Waiver</b>	<u>Except as provided in Section 9.1.1, a</u> A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this	A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to	

Section	Covad Position	Verizon Position	Comments
	<p>Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option which is provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or options.</p> <p>The Parties agree that Covad may seek in the future to negotiate and potentially arbitrate (pursuant to 47 U.S.C. §§ 251 and 252) rates, terms, and conditions regarding unbundled switching and interconnection of their networks for the purpose of exchanging voice traffic. Such negotiated and/or arbitrated interconnection and switching provisions would be added to this Principal Document as an amendment.</p> <p><u>No portion of this Principle Document or the parties' Agreement was entered into "without regard to the standards set forth in the subsections (b) and (c) of section 251," 47 U.S.C §§ 251 (b) &amp; (c), and therefore nothing in this Principal Document or the Parties' Agreement waives either Party's rights or remedies available under Applicable Law, including 47 U.S.C. §§ 206 &amp; 207.</u></p>	<p>require performance of any of the provisions of this Agreement, or to exercise any option which is provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or options.</p> <p>The Parties agree that Covad may seek in the future to negotiate and potentially arbitrate (pursuant to 47 U.S.C. §§ 251 and 252) rates, terms, and conditions regarding unbundled switching and interconnection of their networks for the purpose of exchanging voice traffic. Such negotiated and/or arbitrated interconnection and switching provisions would be added to this Principal Document as an amendment.</p>	
<b>Glossary</b>			
2.11	<p>All effective federal and state laws, government regulations and orders (including orders related to merger commitments), applicable to each Party's performance of its obligations under this agreement. <u>References to Applicable Law in this Principal Document are meant to incorporate verbatim the text of that Applicable Law as if set forth fully herein.</u></p>	<p>All effective federal and state laws, government regulations and orders (including orders related to merger commitments), applicable to each Party's performance of its obligations under this agreement.</p>	
2.111	<p>A form of Digital Loop carrier system consisting of a Central Office terminal and a remote terminal located in the outside plant or customer premises. The Central Office and the remote terminal units perform analog to digital conversions to allow the feeding facility to be digital. <del>UDLC is deployed where the types of services to be provisioned by the systems cannot be integrated such as non-switched services and unbundled loops.</del></p>	<p>A form of Digital Loop carrier system consisting of a Central Office terminal and a remote terminal located in the outside plant or customer premises. The Central Office and the remote terminal units perform analog to digital conversions to allow the feeding facility to be digital. UDLC is deployed where the types of services to be provisioned by the systems cannot be integrated such as non-switched services and unbundled loops.</p>	

Section	Covad Position	Verizon Position	Comments
<b>ADDITIONAL SERVICES ATTACHMENT</b>			
<b>8.0 (OSS)</b>			
8.1.4	<p><u>Verizon OSS Information</u>: Any information accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services, including all information set forth in the definition "Pre-ordering and ordering" in 47 CFR 51.5, to the extent that the rule remains Applicable Law. The term "Verizon OSS Information" includes, but is not limited to: (a) any Customer Information related to a Verizon Customer or a Covad Customer accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services; and, (b) any Covad Usage Information (as defined in Section 8.1.6 below) accessed by, or disclosed or provided to, Covad. <u>Verizon will provide such information about the loop to Covad in the same manner that it provides the information to any third party and in a functionally equivalent manner to the way that it provides such information to itself.</u></p>	<p><u>Verizon OSS Information</u>: Any information accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services, including all information set forth in the definition "Pre-ordering and ordering" in 47 CFR 51.5, to the extent that the rule remains Applicable Law. The term "Verizon OSS Information" includes, but is not limited to: (a) any Customer Information related to a Verizon Customer or a Covad Customer accessed by, or disclosed or provided to, Covad through or as a part of Verizon OSS Services; (b) any Covad Usage Information (as defined in Section 8.1.6 below) accessed by, or disclosed or provided to, Covad.</p>	
<b>8.2 Verizon OSS Services</b>			
8.2.3	<p><u>Verizon, as part of its duty to provide access to the pre-ordering function, must provide Covad with nondiscriminatory access to the same detailed information about the loop at the same time and manner that is available to Verizon and/or its affiliate.</u></p>		
8.2.4	<p><u>For stand-alone loops, Verizon shall return firm order commitments electronically within two (2) business hours after receiving an LSR that has been pre-qualified mechanically and within twenty-four (24) hours after receiving an LSR that is subject to manual pre-qualification.</u></p>		
8.5.4.1	<p>Verizon <u>and Covad</u> shall have the right (but not the obligation) to audit <u>the other party</u> to ascertain whether <u>the other party</u> is complying with the requirements of Applicable Law and this Agreement with regard to Covad's access to, and use and disclosure of, Verizon OSS Information. Such audits shall not occur more frequently than once per year; provided, however, that audits may be conducted more frequently (but no more frequently than</p>	<p>Verizon shall have the right (but not the obligation) to audit Covad to ascertain whether Covad is complying with the requirements of Applicable Law and this Agreement with regard to Covad's access to, and use and disclosure of, Verizon OSS Information. Such audits shall not occur more frequently than once per year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the</p>	

Section	Covad Position	Verizon Position	Comments
	once in each Calendar Quarter) if the immediately preceding audit revealed violations of Applicable Law and/or this Agreement. Audits shall be pursued in a manner that minimizes disruption to Covad <u>the audited party</u> .	immediately preceding audit revealed violations of Applicable Law and/or this Agreement. Audits shall be pursued in a manner that minimizes disruption to Covad.	
8.5.4.3	Information obtained by Verizon <u>and Covad</u> pursuant to this Section 8.5.4.3 shall be treated by Verizon <u>and Covad</u> as Confidential Information of <u>Verizon and Covad</u> pursuant to Section 10 of the Agreement; provided that, <u>Verizon and Covad</u> shall have the right (but not the obligation) to use and disclose information obtained by <u>Verizon and Covad</u> pursuant to this Section 8.5.4 to enforce Verizon's <u>and Covad's</u> rights under the Agreement or Applicable Law.	Information obtained by Verizon pursuant to this Section 8.5.4.3 shall be treated by Verizon as Confidential Information of Covad pursuant to Section 10 of the Agreement; provided that, Verizon shall have the right (but not the obligation) to use and disclose information obtained by Verizon pursuant to this Section 8.5.4 to enforce Verizon's rights under the Agreement or Applicable Law.	
<b>8.6 Liabilities &amp; Remedies</b>			
8.6	<p>If Covad, or Covad's employees, agents or contractors materially breach, at any time, any of the provisions of Sections 8.4 or 8.5 above, and such material breach continues for more than ten (10) days after receiving written notice thereof from Verizon, then Verizon shall have the right, <u>after giving Covad a reasonable opportunity to cure the breach upon one (1) day's notice to Covad, to seek relief from the appropriate regulatory body to suspend the license to use Verizon OSS Information granted by Section 8.5.1 above and/or the provision of Verizon OSS Services, in whole or in part.</u></p> <p>Such suspension of Covad's license shall not be deemed to be the exclusive remedy for any such breach by Covad, or Covad's employees, agents or contractors, but shall be in addition to any other remedies available under this Agreement or at law or in equity.</p>	<p>If Covad, or Covad's employees, agents or contractors breach, at any time, any of the provisions of Sections 8.4 or 8.5 above, and such material breach continues for more than ten (10) days after receiving written notice thereof from Verizon, then Verizon shall have the right, upon one (1) day's notice to Covad, to suspend the license, to use Verizon OSS Information granted by Section 8.5.1 above and/or the provision of Verizon OSS Services, in whole or in part.</p> <p>Such suspension of Covad's license shall not be deemed to be the exclusive remedy for any such breach by Covad, or Covad's employees, agents or contractors, but shall be in addition to any other remedies available under this Agreement or at law or in equity. +</p>	
<b>8.9 VZ Access to Information Related to Covad Customers</b>			

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8.9.2	Upon request by Verizon, Covad shall negotiate in good faith to provide Verizon access to Covad's operations support systems (including, systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing) and information contained in such systems, to permit Verizon to obtain information related to Covad Customers (as authorized by the applicable Covad Customer), to permit Customers to transfer service from one Telecommunications Carrier to another, and for such other purposes as may be permitted by Applicable Law, <u>provided that such information is not already in Verizon's possession.</u>	Upon request by Verizon, Covad shall negotiate in good faith to provide Verizon access to Covad's operations support systems (including, systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing) and information contained in such systems, to permit Verizon to obtain information related to Covad Customers (as authorized by the applicable Covad Customer), to permit Customers to transfer service from one Telecommunications Carrier to another, and for such other purposes as may be permitted by Applicable Law.	
<b>RESALE ATTACHMENT</b>			
5.3	<del>Verizon shall provide Covad with notice of a Covad end user's change in local telecommunications service provider by providing electronic access to Verizon's line loss report. The line loss report is an electronic file made available to CLECs and resellers listing those lines serving their end user customers that have moved to another telecommunications service provider. If a Covad Customer requests that Verizon convert a Resold Verizon Telecommunications Service to a retail Service, Verizon shall provide written or electronic notification of that request to Covad as soon as practicable, and in no event less than one (1) full business day before discontinuing the provision of the Service for resale.</del>	Verizon shall provide Covad with notice of a Covad end user's change in local telecommunications service provider by providing electronic access to Verizon's line loss report. The line loss report is an electronic file made available to CLECs and resellers listing those lines serving their end user customers that have moved to another telecommunications service provider.	
<b>UNE ATTACHMENT</b>			
1.2 Combination of UNEs	Verizon shall be obligated to combine UNEs that are not already combined in Verizon's network only to the extent required by Applicable Law. Except as otherwise required by Applicable Law: (a) Verizon shall be obligated to provide a UNE or Combination pursuant to this Agreement only to the extent such UNE or Combination, and the equipment and <del>that the</del> facilities necessary to provide such UNE or Combination, are available in Verizon's network (even if they do not have telecommunications services currently transmitted over them or are not currently being utilized by Verizon); and (b) Verizon shall have no obligation to construct or deploy new facilities or	Verizon shall be obligated to combine UNEs that are not already combined in Verizon's network only to the extent required by Applicable Law. Except as otherwise required by Applicable Law: (a) Verizon shall be obligated to provide a UNE or Combination pursuant to this Agreement only to the extent such UNE or Combination, and the equipment and facilities necessary to provide such UNE or Combination, are available in Verizon's network (even if they do not have telecommunications services currently transmitted over them or are not currently being utilized by Verizon); and (b) Verizon shall have no obligation to construct or deploy new	



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	equipment to offer any UNE or Combination <u>except to the extent that such UNE or Combination would be constructed or deployed, upon request of a Verizon end user.</u>	facilities or equipment to offer any UNE or Combination.	
1.4.1	To the extent that Verizon is required by a change in Applicable Law to provide a UNE or Combination not offered under this Agreement to Covad as of the Effective Date, the terms, conditions and prices for such UNE or Combination (including, but not limited to, the terms and conditions defining the UNE or Combination and stating when and where the UNE or Combination will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) shall be <del>as provided in an applicable Tariff of Verizon, or, in the absence of an applicable Verizon Tariff,</del> as mutually agreed by the Parties.	To the extent that Verizon is required by a change in Applicable Law to provide a UNE or Combination not offered under this Agreement to Covad as of the Effective Date, the terms, conditions and prices for such UNE or Combination (including, but not limited to, the terms and conditions defining the UNE or Combination and stating when and where the UNE or Combination will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) shall be as provided in an applicable Tariff of Verizon, or, in the absence of an applicable Verizon Tariff, as mutually agreed by the Parties.	
1.5	Without limiting Verizon's rights pursuant to Applicable Law or any other section of this Agreement to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to Covad, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined, <u>in a final, non-appealable order</u> , that Verizon is not required by Applicable Law to provide such UNEs or Combination, Verizon may terminate its provision of such UNE or Combination to Covad. If Verizon terminates its provision of a UNE or a Combination to Covad pursuant to this Section 1.5 and Covad elects to purchase other Services offered by Verizon in place of such UNE or Combination, then: (a) Verizon shall reasonably cooperate with Covad to coordinate the termination of such UNE or Combination and the installation of such Services to minimize the interruption of service to Customers of Covad; and, (b) Covad shall pay all applicable charges for such Services, including, but not limited to, any applicable transition charges.	Without limiting Verizon's rights pursuant to Applicable Law or any other section of this Agreement to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to Covad, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined that Verizon is not required by Applicable Law to provide such UNEs or Combination, Verizon may terminate its provision of such UNE or Combination to Covad. If Verizon terminates its provision of a UNE or a Combination to Covad pursuant to this Section 1.5 and Covad elects to purchase other Services offered by Verizon in place of such UNE or Combination, then: (a) Verizon shall reasonably cooperate with Covad to coordinate the termination of such UNE or Combination and the installation of such Services to minimize the interruption of service to Customers of Covad; and, (b) Covad shall pay all applicable charges for such Services, including, but not limited to, any applicable transition charges.	
1.7	Except as otherwise expressly stated in this Agreement, Covad shall access Verizon's UNEs <del>specifically identified in this Agreement via Collocation in accordance with the</del>	Except as otherwise expressly stated in this Agreement, Covad shall access Verizon's UNEs specifically identified in this Agreement via Collocation in accordance with the	

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	<p><del>Collocation Attachment at the Verizon Wire Center where these elements exist, and each Loop or Port shall, in the case of Collocation, be delivered to Covad's Collocation node by means of a Cross Connection at any technically feasible point as required by 47 CFR§ 51.311 and 47 U.S.C. § 251 (c )(3).</del></p>	<p>Collocation Attachment at the Verizon Wire Center where those elements exist, and each Loop or Port shall, in the case of Collocation, be delivered to Covad's Collocation node by means of a Cross Connection.</p>	
1.9	<p><u>In provisioning loops that require Verizon to dispatch a technician to the end user's premises, Verizon shall provide Covad's end user with a three-hour appointment window on the day of the dispatch. The Verizon technician shall be present at the premises of the Covad's end user during that window and shall make good faith efforts to contact the end user upon arriving at the premises. If the Verizon technician fails to meet the Covad's end user during the window, Verizon shall forego assessing the non-recurring dispatch charge to the Covad associated with the Service Order. Moreover, each additional instance in which the Verizon technician fails to meet the same customer during future scheduled windows, Verizon will pay to Covad the missed appointment fee that will be equivalent to the nonrecurring dispatch charge that Verizon would have assessed to Covad had the Verizon technician not missed the appointment.</u></p>		
<b>3. Loop Transmission Types</b>			
3.1	<p><del>"2-Wire ISDN Digital Grade Loop" or "BRI ISDN" provides a channel with 2-wire interfaces at each end that is suitable for the transport of 160 kbps digital services using the ISDN/IDSL 2B1Q line code, as described in ANSI T1.601.1998 and Verizon TR 72575 (as TR 72575 is revised from time to time). In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels. Verizon will provide loop extension equipment only upon request. A separate charge will apply for loop extension equipment. Verizon will relieve capacity constraints in the loop network to provide ISDN loops to the same extent and on the same rates, terms, and conditions that it does so for its own customers. Covad connecting equipment should conform to the limits for SM1 in T1-417-2001, as revised from time to time.</del></p>	<p>"2-Wire ISDN Digital Grade Loop" or "BRI ISDN" provides a channel with 2-wire interfaces at each end that is suitable for the transport of 160 kbps digital services using the ISDN/IDSL 2B1Q line code, as described in ANSI T1.601.1998 and Verizon TR 72575 (as TR 72575 is revised from time to time). In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels. Verizon will provide loop extension equipment only upon request. A separate charge will apply for loop extension equipment. Covad connecting equipment should conform to the limits for SM1 in T1-417-2001, as revised from time to time.</p>	

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3.2 ADSL	<p>"2-Wire ADSL-Compatible Loop" or "ADSL 2W" provides a channel with 2-wire interfaces at each end that is suitable for the transport of digital signals up to 8 Mbps toward the Customer and up to 1 Mbps from the Customer. ADSL-Compatible Loops will be available only where existing copper facilities are available and meet applicable specifications. Verizon will not build new copper facilities <u>except to the extent that it does so for its own customers.</u> <del>The upstream and downstream ADSL power spectral density masks and dc line power limits in Verizon TR 72575, Issue 2, as revised from time to time, must be met, or alternatively, connecting equipment should conform to the limits for SMC5 or SMC9 in T1-417-2001, as revised from time to time.</del></p>	<p>"2-Wire ADSL-Compatible Loop" or "ADSL 2W" provides a channel with 2-wire interfaces at each end that is suitable for the transport of digital signals up to 8 Mbps toward the Customer and up to 1 Mbps from the Customer. ADSL-Compatible Loops will be available only where existing copper facilities are available and meet applicable specifications. Verizon will not build new copper facilities. The upstream and downstream ADSL power spectral density masks and dc line power limits in Verizon TR 72575, Issue 2, as revised from time-to-time, must be met, or alternatively, connecting equipment should conform to the limits for SMC5 or SMC9 in T1-417-2001, as revised from time to time.</p>	
3.3 HDSL	<p>"2-Wire HDSL-Compatible Loop" or "HDSL 2W" consists of a single 2-wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. <del>The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, Issue 2, as revised from time to time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001, as revised from time to time.</del> 2-wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build new copper facilities <u>except to the extent that it does so for its own customers.</u> The 2-wire HDSL-compatible loop is only available in Bell Atlantic service areas. Covad may order a GTE Designed Digital Loop to provide similar capability in the GTE service area.</p>	<p>"2-Wire HDSL-Compatible Loop" or "HDSL 2W" consists of a single 2-wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, Issue 2, as revised from time-to-time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001, as revised from time to time.. 2-wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build new copper facilities. The 2-wire HDSL-compatible loop is only available in Bell Atlantic service areas. Covad may order a GTE Designed Digital Loop to provide similar capability in the GTE service area.</p>	
3.4 4 wire HDSL	<p>"4-Wire HDSL-Compatible Loop" or "HDSL 4W" consists of a channel with 4 wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. <del>The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, as revised from time to time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001.</del> 4-Wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build</p>	<p>"4-Wire HDSL-Compatible Loop" or "HDSL 4W" consists of a channel with 4 wire interfaces at each end that is generally suitable for the transport of digital signals simultaneously in both directions. . The HDSL power spectral density mask and dc line power limits referenced in Verizon TR 72575, as revised from time-to-time, must be met or alternatively, connecting equipment should conform to the limits for SMC2, SMC3 and SMC4 in T1-417-2001. 4-Wire HDSL-compatible local loops will be provided only where existing facilities are available and can meet applicable specifications. Verizon will not build</p>	

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	new copper facilities <u>except to the extent that it does so for its own customers</u> . The 4-Wire HDSL compatible loop is available in former Bell Atlantic service areas. Covad may order a GTE 4-Wire Designed Digital Loop to provide similar capability in the former GTE service area.	new copper facilities. The 4-Wire HDSL compatible loop is available in former Bell Atlantic service areas. Covad may order a GTE 4-Wire Designed Digital Loop to provide similar capability in the former GTE service area.	
3.5 DS-1	"4-Wire DS1-compatible Loop" provides a channel with 4-wire interfaces at each end. Each 4-wire channel is suitable for the transport of 1.544 Mbps digital signals simultaneously in both directions using PCM line code. DS-1-compatible Loops will be available only where existing facilities can meet the specifications, <u>unless Verizon upgrades existing facilities for its own end users</u> . In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels, Verizon will provide loop extension equipment upon request. <u>A separate charge will apply for such equipment</u> .	"4-Wire DS1-compatible Loop" provides a channel with 4-wire interfaces at each end. Each 4-wire channel is suitable for the transport of 1.544 Mbps digital signals simultaneously in both directions using PCM line code. DS-1-compatible Loops will be available only where existing facilities can meet the specifications. In some cases loop extension equipment may be necessary to bring the line loss within acceptable levels, Verizon will provide loop extension equipment upon request. A separate charge will apply for such equipment.	
3.6 IDSL	"2-Wire IDSL-Compatible Metallic Loop" consists of a single 2-wire non-loaded, twisted copper pair that meets revised resistance design criteria. This UNE loop is intended to be used with very-low band symmetric DSL systems that meet the Class 1 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3) and are not compatible with 2B1Q 160 kbps ISDN transport systems. The actual data rate achieved depends upon the performance of Covad-provided modems with the electrical characteristics associated with the loop. This loop cannot be provided via IDLC or UDLC.. Verizon will not build new copper facilities <u>except to the extent that it does so for its own customers</u> .	"2-Wire IDSL-Compatible Metallic Loop" consists of a single 2-wire non-loaded, twisted copper pair that meets revised resistance design criteria. This UNE loop is intended to be used with very-low band symmetric DSL systems that meet the Class 1 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3) and are not compatible with 2B1Q 160 kbps ISDN transport systems. The actual data rate achieved depends upon the performance of Covad-provided modems with the electrical characteristics associated with the loop. This loop cannot be provided via IDLC or UDLC.. Verizon will not build new copper facilities.	
3.7 SDSL Loop Types	2-Wire SDSL-Compatible Loop", is intended to be used with low band symmetric DSL systems that meet the Class 2 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3). This UNE loop consists of a single 2-wire non-loaded, twisted copper pair that meets Class 2 length limit in T1E1.4/2000-002R3 or alternately, connecting equipment should conform to the limits for SMC2, <u>SMC7, or SMC8</u> , in T1-417-2001. The data rate achieved depends on the performance of the CLEC-provided	2-Wire SDSL-Compatible Loop", is intended to be used with low band symmetric DSL systems that meet the Class 2 signal power limits and other criteria in the draft T1E1.4 loop spectrum management standard (T1E1.4/2000-002R3). This UNE loop consists of a single 2-wire non-loaded, twisted copper pair that meets Class 2 length limit in T1E1.4/2000-002R3 or alternately, connecting equipment should conform to the limits for SMC2 in T1-417-2001. The data rate achieved depends on the performance of the CLEC-provided modems with the	

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<p><b>New 3.11 (this was previously in 3.10)</b></p>	<p>The titles of the foregoing loop types are for purely illustrative purposes and do not control the specific services that Covad may offer over such loops. Verizon will maintain or repair such loops using standards that are at least as stringent as either (1) the standards it uses in maintaining or repairing the same or comparable loops for itself, or (2) applicable industry standards for maintaining or repairing such loops.</p>	<p>electrical characteristics associated with the loop. SDSL-compatible local loops will be provided only where facilities are available and can meet applicable specifications. Verizon will not build new copper facilities.</p>	
<p><b>3.11 (the first paragraph was previously in 3.10)</b></p>	<p>Although Covad will, when leasing a loop, indicate on the Local Service Request ("LSR") which of the foregoing loop type categories the loop falls under, Covad may offer services over that loop that fall under any of the loop type categories enumerated in sections 3.1 to 3.7 above and in accordance with Applicable Law. Covad and Verizon will follow Applicable Law governing spectrum management.</p> <p>If Covad wishes to order a loop type or technology that has not yet been developed, a BFR should be submitted. Covad may deploy services that do not fall under the loop type categories enumerated in sections 3.1 to 3.7 above if it complies with 47 C.F.R. § 51.230, to the extent that that rule remains Applicable Law.</p>	<p>Covad and Verizon will follow Applicable Law governing spectrum management.</p> <p>If Covad wishes to order a loop type or technology that has not yet been developed, a BFR should be submitted.</p>	
<p><b>3.13.4</b></p>	<p>Covad may submit an order for a loop not withstanding having received notice from Verizon during the pre-qualification process that the loop is "loop not qualified – T1 in the binder group" or in the same binder group as a "known disturber" as defined under FCC rules. Upon receipt of a valid LSR for such loop, Verizon will process the order in accordance with standard procedures. If Verizon needs to use manual procedures to process this LSR, it will do so at no charge to Covad. If necessary, and as available, and after obtaining Covad's approval, Verizon will perform a line &amp; station transfer (LST) at no additional charge if Verizon does not charge its own customers for performing LSTs during the process of provisioning</p>	<p>Covad may submit an order for a loop not withstanding having received notice from Verizon during the pre-qualification process that the loop is "loop not qualified – T1 in the binder group" or in the same binder group as a "known disturber" as defined under FCC rules. Upon receipt of a valid LSR for such loop, Verizon will process the order in accordance with standard procedures. If Verizon needs to use manual procedures to process this LSR, it will do so at no charge to Covad. If necessary and as available, Verizon will perform a line &amp; station transfer (LST) subject to applicable charges. Upon the request of Covad, Verizon will provide Digital Designed Loop products for the loop in accordance with the Pricing</p>	

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	<p>service. Upon the request of Covad, Verizon will provide Digital Designed Loop products for the loop in accordance with the Pricing Attachment or other forms of loop conditioning to be agreed upon by the Parties, subject to applicable charges.</p>	<p>Attachment or other forms of loop conditioning to be agreed upon by the Parties, subject to applicable charges.</p>	
<p><b>3.13.5</b></p>	<p>If the Loop is not listed in the mechanized database described in Section 3.11.2 <del>or the listing is defective, (i.e., in those cases where Verizon does not have the ability to provide electronic prequalification to itself or to a Verizon affiliate), Covad may submit an Extended Query to Verizon at no additional charge.</del> Covad <del>may also</del> must request a manual loop qualification prior to submitting a valid electronic service order for an ADSL, HDSL, SDSL, IDSL, or BRI ISDN Loop. The rates for manual loop qualification are set forth in the Pricing Attachment. Verizon will complete a manual loop qualification request <del>within the same intervals that Verizon completes manual loop qualifications for itself or a Verizon affiliate. In general, Verizon will complete the manual loop qualification within three one business days</del> although Verizon may require additional time due to poor record conditions, spikes in demand, or other unforeseen events.</p>	<p>If the Loop is not listed in the mechanized database described in Section 3.11.2, (i.e., in those cases where Verizon does not have the ability to provide electronic prequalification to itself or to a Verizon affiliate), Covad must request a manual loop qualification prior to submitting a valid electronic service order for an ADSL, HDSL, SDSL, IDSL, or BRI ISDN Loop. The rates for manual loop qualification are set forth in the Pricing Attachment. Verizon will complete a manual loop qualification request within the same intervals that Verizon completes manual loop qualifications for itself or a Verizon affiliate. In general, Verizon will complete the manual loop qualification within (3) business days, although Verizon may require additional time due to poor record conditions, spikes in demand, or other unforeseen events.</p>	
<p><b>3.13.7</b></p>	<p>If Covad submits a service order for an ADSL, HDSL, SDSL, or IDSL Loop that has not been prequalified, Verizon will query the service order back to Covad for qualification and will not accept such service order until the Loop has been prequalified on a mechanized or manual basis. Verizon will accept service orders for BRI ISDN Loops without regard to whether they have been prequalified. The Parties agree that Covad may contest the prequalification <del>finding</del> requirement for an order or set of orders. At Covad's option, and where available facilities exist, Verizon will provision any such contested order or set of orders as Digital Designed Loops, pending negotiations between the Parties and ultimately Covad's decision to seek resolution of the dispute from either the Commission or the FCC.</p>	<p>If Covad submits a service order for an ADSL, HDSL, SDSL, or IDSL Loop that has not been prequalified, Verizon will query the service order back to Covad for qualification and will not accept such service order until the Loop has been prequalified on a mechanized or manual basis. Verizon will accept service orders for BRI ISDN Loops without regard to whether they have been prequalified. The Parties agree that Covad may contest the prequalification finding for an order or set of orders. At Covad's option, and where available facilities exist, Verizon will provision any such contested order or set of orders as Digital Designed Loops, pending negotiations between the Parties and ultimately Covad's decision to seek resolution of the dispute from either the Commission or the FCC.</p>	
<p><b>3.13.10</b></p>	<p>The Parties will make reasonable efforts to coordinate their respective roles in order to minimize provisioning problems. In general, where conditioning or loop</p>	<p>The Parties will make reasonable efforts to coordinate their respective roles in order to minimize provisioning problems. Where conditioning or loop extensions are</p>	

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	<p>extensions are requested by Covad, the shortest of the following intervals applies for conditioning and/or extending loops provisioning of loops: (1) the interval that Verizon provides to itself, or third parties or; (2) the Commission-adopted interval; or (3) <u>ten business days</u>.</p> <p><del>After the engineering and conditioning tasks have been completed, the standard Loop provisioning and installation process will be initiated, subject to Verizon's standard provisioning intervals.</del></p>	<p>requested by Covad, the shortest of the following intervals applies for conditioning and/or extending loops: (1) the interval that Verizon provides to itself, or third parties or (2) the Commission-adopted interval.</p> <p>After the engineering and conditioning tasks have been completed, the standard Loop provisioning and installation process will be initiated, subject to Verizon's standard provisioning intervals.</p>	
3.13.12	<p>If Covad orders a loop that is determined to be xDSL Compatible, but the Loop serving the service address is unusable or unavailable to be assigned as an xDSL Compatible Loop, Verizon will search the Customer's serving terminal for a suitable spare facility. If an xDSL Compatible Loop is found within the serving terminal, Verizon will perform, <u>upon request of Covad</u>, a Line and Station Transfer (or "pair swap") whereby the Verizon technician will transfer the Customer's existing service from one existing Loop facility onto an alternate existing xDSL Compatible Loop facility serving the same location. Verizon performs Line and Station Transfers in accordance with the procedures developed in the DSL Collaborative in the State of New York, NY PSC Case 00-C-0127. Standard intervals do not apply when Verizon performs a Line and Station Transfer <u>for line sharing loops</u>, and additional charges shall apply as set forth in the Pricing Attachment.</p>	<p>If Covad orders a loop that is determined to be Xdsl Compatible, but the Loop serving the service address is unusable or unavailable to be assigned as an xDSL Compatible Loop, Verizon will search the Customer's serving terminal for a suitable spare facility. If an xDSL Compatible Loop is found within the serving terminal, Verizon will perform a Line and Station Transfer (or "pair swap") whereby the Verizon technician will transfer the Customer's existing service from one existing Loop facility onto an alternate existing xDSL Compatible Loop facility serving the same location. Verizon performs Line and Station Transfers in accordance with the procedures developed in the DSL Collaborative in the State of New York, NY PSC Case 00-C-0127. Standard intervals do not apply when Verizon performs a Line and Station Transfer, and additional charges shall apply as set forth in the Pricing Attachment.</p>	
3.13.13	<p>In the former Bell Atlantic Service Areas only, Covad may request Cooperative Testing in conjunction with its request for an xDSL Compatible Loop or Digital Designed Loop. "Cooperative Testing" is a procedure whereby a Verizon technician and an Covad technician jointly verify that an xDSL Compatible Loop or Digital Designed Loop is properly installed and operational prior to Verizon's completion of the order. Covad may request, at its option, Cooperative Testing by entering a toll-free (e.g. 800) number in the Remarks field of the LSR of an xDSL Compatible or Digital Designed Loop Service Order, and</p>	<p>In the former Bell Atlantic Service Areas only, Covad may request Cooperative Testing in conjunction with its request for an xDSL Compatible Loop or Digital Designed Loop. "Cooperative Testing" is a procedure whereby a Verizon technician and an Covad technician jointly verify that an xDSL Compatible Loop or Digital Designed Loop is properly installed and operational prior to Verizon's completion of the order. Covad may request, at its option, Cooperative Testing by entering a toll-free (e.g. 800) number in the Remarks field of the LSR of an xDSL Compatible or Digital Designed Loop Service Order, and</p>	

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	<p>the Verizon technician will call the toll-free number to perform the Cooperative Test. When both the Verizon and Covad technicians agree that the Loop test shows that the Loop is operational, the Covad technician will provide the Verizon technician with a serial number to acknowledge that the Loop is operational. Charges for Cooperative Testing are as set forth in the Pricing Attachment.</p> <p><u>Cooperative Acceptance Testing is acknowledged by both Verizon and Covad to assist in the timely and efficient provisioning of functioning loops. If both parties agree in writing that this testing is no longer necessary, it can be suspended at any time.</u></p> <p><u>Verizon will dispatch a technician to provide normal acceptance testing where Verizon determines a dispatch is required to provision the loop. Normal acceptance testing includes: Placing a short on the tip conductor and then the ring conductor, while Covad runs loop tests from its equipment located in the serving collocation arrangement. Verizon will call Covad with the technician on the line to perform the above mentioned tests and Covad will within 15 minutes begin testing with the technician. The Verizon technician will test with Covad for a period not to exceed 15 minutes. Verizon shall deliver loops that perform according to the characteristics of described in the loop types set forth in Sections 3.1 – 3.7, above.</u></p> <p><u>Where a technician is dispatched to provision a loop, the Verizon technician shall tag a circuit for identification purposes. Where a technician is not dispatched by Verizon, Verizon will provide sufficient information to Covad to enable Covad to locate the circuit being provisioned. Upon delivery of the loop Verizon will contact Covad via a toll free number to provide notification of the completion of the loop and where required, provide acceptance testing as provided for in this agreement.</u></p> <p><u>If the Verizon technician at the premises is unable to contact a Covad employee to perform acceptance testing at the time of loop turn up (placed on hold for more than 15 minutes, reaches voice mail or other recording, no answer or repeated busy conditions), the technician Verizon will test the loop to ensure the loop is provisioned according to</u></p>	<p>the Verizon technician will call the toll-free number to perform the Cooperative Test. When both the Verizon and Covad technicians agree that the Loop test shows that the Loop is operational, the Covad technician will provide the Verizon technician with a serial number to acknowledge that the Loop is operational. Charges for Cooperative Testing are as set forth in the Pricing Attachment.</p>	



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	<p><u>requirements of the loop type requested by Covad, as set forth in Sections 3.1 – 3.7, above. The Verizon technician may then leave the premises. On any such orders, Verizon must provide the reason for which it was unable to contact Covad. In addition, Verizon will later engage in a joint “one way” test with Covad. During such a “one way” test, personnel from Verizon’s loop provisioning centers will call Covad’s testing center and will stay on the line while Covad tests the loop remotely using its test equipment to which the loop is connected. At the conclusion of “one way” testing, Covad will either accept or reject the loop.</u></p> <p><u>If at any time Covad feels that the process described in this paragraph is not being appropriately executed by Verizon, Covad may escalate to the appropriate Verizon Manager for immediate resolution. Such resolution shall include but not be limited to: an immediate review of the processes described above by Verizon personnel, joint meetings of the parties to mutually resolve issues and any other such action which both parties agree may need to be implemented to correct the process failure.</u></p> <p><u>If the Acceptance Test fails loop Continuity Test parameters, as defined by loop types set forth in Sections 3.1 – 3.7, above for the loop being provisioned, the Verizon technician will take any or all reasonable steps, if possible, to immediately resolve the problem with Covad on the line including, but not limited to, calling the central office to perform work or troubleshooting for physical faults. If the problem cannot be resolved in an expedient manner, the technician will release the Covad representative, and perform the work necessary to correct the situation. Once the loop is correctly provisioned, Verizon will re-contact the Covad representative to repeat the Acceptance Test.</u></p> <p><u>Both Parties declare they will work together, in good faith, to implement Acceptance Testing procedures that are efficient and effective. If the Parties mutually agree to additional testing, procedures and/or standards not covered by this Appendix or any state Commission or FCC</u></p>		

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	<p>ordered tariff, the Parties will negotiate terms and conditions to implement such additional testing, procedures and/or standards.</p> <p>Verizon will not bill for loop repairs when the repair resulted from a Verizon problem.</p>		
3.14	<p>The provisioning interval for all stand-alone loops not requiring conditioning shall be the shortest of the following: (a) the interval Verizon provides to itself or an affiliate; or (b) the Commission-ordered interval.</p>	<p>The provisioning interval for all loops not requiring conditioning shall be the shortest of the following: (a) the interval Verizon provides to itself or an affiliate; or (b) the Commission-ordered interval.</p>	
<b>4. Line Sharing</b>			
<p><b>New 4.2.1</b> <b>Line Partitioning</b></p>	<p>Verizon will also offer Line Partitioning, which is identical to Line Sharing except that the analog voice service on the loop is provided by a 3<sup>rd</sup> party carrier reselling Verizon's voice services. In order for a Loop to be eligible for Line Partitioning, the following conditions must be satisfied for the duration of the Line Partitioning arrangement: (i) the Loop must consist of a copper loop compatible with an XDSL service that is presumed to be acceptable for shared-line deployment in accordance with FCC rules; (ii) a reseller must be using Verizon's services to provide simultaneous circuit-switched analog voice grade service to the Customer served by the Loop in question; (iii) the reseller's Customer's dial tone must originate from a Verizon End Office Switch in the Wire Center where the Line Partitioning arrangement is being requested; and (iv) the XDSL technology to be deployed by Covad on that Loop must not significantly degrade the performance of other services provided on that Loop. Line Partitioning is otherwise subject to all terms and conditions applicable to Line Sharing.</p>		
4.4.3	<p>If the Loop is prequalified by Covad using Verizon's loop prequalification tools, and if a positive response is received and followed by receipt of Covad's valid, accurate and pre-qualified service order for Line Sharing, Verizon will return an LSR confirmation in accordance with applicable industry-wide performance standards-within two (2)</p>	<p>If the Loop is prequalified by Covad using Verizon's loop prequalification tools, and if a positive response is received and followed by receipt of Covad's valid, accurate and pre-qualified service order for Line Sharing, Verizon will return an LSR confirmation in accordance with applicable industry-wide performance standards.</p>	

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	<u>business hours (weekends and holidays excluded).</u>		
4.4.6	<p>The standard Loop provisioning and installation process will be initiated for the Line Sharing arrangement only once the requested engineering and conditioning tasks have been completed on the Loop. Scheduling changes and charges associated with order cancellations after conditioning work has been initiated are addressed in the terms pertaining to Digital Designed Loops, as referenced in Section 3.9, above. The standard provisioning interval for the Line Sharing arrangement shall be as set out in the Verizon Product Interval Guide; provided that the standard provisioning interval for the Line Sharing arrangement shall not exceed the shortest of the following intervals: (a) six <del>(6)</del> three (3) business days; (b) the standard provisioning interval for the Line Sharing arrangement that is stated in an applicable Verizon Tariff; or, (c) the standard provisioning interval for the Line Sharing arrangement that is required by Applicable Law. The standard provisioning interval for the Line Sharing <u>when Covad purchases Digital Designed Loop products shall be consistent with Section 3.13.10</u> <del>arrangement shall commence only once any requested engineering and conditioning tasks have been completed.</del> Line Sharing arrangements that require pair swaps or line and station transfers in order to free-up facilities may have a provisioning interval that is longer than the standard provisioning interval for the Line Sharing arrangement. In no event shall the Line Sharing interval offered to Covad be longer than the interval offered to any similarly-situated aAffiliate of Verizon.</p>	<p>The standard Loop provisioning and installation process will be initiated for the Line Sharing arrangement only once the requested engineering and conditioning tasks have been completed on the Loop. Scheduling changes and charges associated with order cancellations after conditioning work has been initiated are addressed in the terms pertaining to Digital Designed Loops, as referenced in Section 3.9, above. The standard provisioning interval for the Line Sharing arrangement shall be as set out in the Verizon Product Interval Guide; provided that the standard provisioning interval for the Line Sharing arrangement shall not exceed the shortest of the following intervals: (a) six (6) business days; (b) the standard provisioning interval for the Line Sharing arrangement that is stated in an applicable Verizon Tariff; or, (c) the standard provisioning interval for the Line Sharing arrangement that is required by Applicable Law. The standard provisioning interval for the Line Sharing arrangement shall commence only once any requested engineering and conditioning tasks have been completed. Line Sharing arrangements that require pair swaps or line and station transfers in order to free-up facilities may have a provisioning interval that is longer than the standard provisioning interval for the Line Sharing arrangement. In no event shall the Line Sharing interval offered to Covad be longer than the interval offered to any similarly situated Affiliate of Verizon.</p>	
4.5	<p>To the extent required by Applicable Law <u>and consistent with Section 3.10 of the UNE Attachment</u>, Covad shall provide Verizon with information regarding the type of xDSL technology that it deploys on each shared Loop. Where any proposed change in technology is planned on a shared Loop, Covad must provide this information to Verizon in order for Verizon to update Loop records and anticipate effects that the change may have on the voice grade service and other Loops in the same or adjacent binder groups.</p>	<p>To the extent required by Applicable Law Covad shall provide Verizon with information regarding the type of xDSL technology that it deploys on each shared Loop. Where any proposed change in technology is planned on a shared Loop, Covad must provide this information to Verizon in order for Verizon to update Loop records and anticipate effects that the change may have on the voice grade service and other Loops in the same or adjacent binder groups.</p>	
4.7.2	Where a new splitter is to be installed as part of an existing	Where a new splitter is to be installed as part of an existing	

Section	Covad Position	Verizon Position	Comments
	<p>Collocation arrangement, or where the existing Collocation arrangement is to be augmented (e.g., with additional terminations at the POT Bay or Covad's collocation arrangement to support Line Sharing), the splitter installation or augment may be ordered via an application for Collocation augment. Associated Collocation charges (application and engineering fees) apply. Covad must submit the application for Collocation augment, with the application fee, to Verizon. <del>Unless a longer interval is stated in Verizon's applicable Tariff, a</del> <u>An interval of seventy-six (76) no greater than forty-five (45) business days shall apply.</u></p>	<p>Collocation arrangement, or where the existing Collocation arrangement is to be augmented (e.g., with additional terminations at the POT Bay or Covad's collocation arrangement to support Line Sharing), the splitter installation or augment may be ordered via an application for Collocation augment. Associated Collocation charges (application and engineering fees) apply. Covad must submit the application for Collocation augment, with the application fee, to Verizon. Unless a longer interval is stated in Verizon's applicable Tariff, an interval of seventy-six (76) business days shall apply.</p>	
4.8.2	<p>In those serving End Offices where Verizon has not employed a POT Bay for interconnection of Covad's Collocation arrangement with Verizon's network, Covad will not be permitted to supply its own test head <u>for line shared loops</u>. Instead, Verizon will make a testing system available to Covad through use of the on-line computer interface test system at <a href="http://www.verizon.com/wise">www.verizon.com/wise</a> at <u>no additional charge to Covad. The parties recognize that the foregoing contract provision does not signify Covad's agreement that Verizon has met its obligations under 47 CFR § 51.319(h)(7) to provide Covad with a cross connect point for purposes of testing line shared loops.</u></p>	<p>In those serving End Offices where Verizon has not employed a POT Bay for interconnection of Covad's Collocation arrangement with Verizon's network, Covad will not be permitted to supply its own test head. Instead, Verizon will make a testing system available to Covad through use of the on-line computer interface test system at <a href="http://www.verizon.com/wise">www.verizon.com/wise</a>.</p>	
<b>8. Dark Fiber</b>			
8.1.1	<p>A "Dark Fiber Loop" consists of <del>continuous</del> fiber optic strand(s) in a Verizon fiber optic cable between Verizon's Accessible Terminal, such as the fiber distribution frame, or its functional equivalent, located within a Verizon Wire Center <u>or other Verizon premises in which Dark Fiber Loops terminate</u>, and Verizon's main termination point at a Customer premise, such as the fiber patch panel located within a Customer premise, and that has not been activated through connection to electronics that "light" it and render it capable of carrying Telecommunications Services.</p>	<p>A "Dark Fiber Loop" consists of continuous fiber optic strand(s) in a Verizon fiber optic cable between Verizon's Accessible Terminal, such as the fiber distribution frame, or its functional equivalent, located within a Verizon Wire Center, and Verizon's main termination point at a Customer premise, such as the fiber patch panel located within a Customer premise, and that has not been activated through connection to electronics that "light" it and render it capable of carrying Telecommunications Services.</p>	
8.1.2	<p>A "Dark Fiber Sub Loop" consists of <del>continuous</del> fiber optic strand(s) in a Verizon fiber optic cable (a) between Verizon's Accessible Terminal located within a Verizon Wire Center, and Verizon's Accessible Terminal at a</p>	<p>A "Dark Fiber Sub Loop" consists of continuous fiber optic strand(s) in a Verizon fiber optic cable (a) between Verizon's Accessible Terminal located within a Verizon Wire Center, and Verizon's Accessible Terminal at a</p>	

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	Verizon remote terminal equipment enclosure, (b) between Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure and Verizon's main termination point located within a Customer premise, or (c) between Verizon's Accessible Terminals at Verizon remote terminal equipment enclosures, and that in all cases has not been activated through connection to electronics that "light" it and render it capable of carrying Telecommunications Services.	Verizon remote terminal equipment enclosure, (b) between Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure and Verizon's main termination point located within a Customer premise, or (c) between Verizon's Accessible Terminals at Verizon remote terminal equipment enclosures, and that in all cases has not been activated through connection to electronics that "light" it and render it capable of carrying Telecommunications Services.	
8.1.3	A "Dark Fiber IOF" consists of continuous fiber strand(s) that are located within a fiber optic cable between either (a) Accessible Terminals in two or more Verizon Central Offices or (b) an Accessible Terminal in a Verizon Central Office and a Covad Central Office, but, in either case, that has not been activated through connection to multiplexing, aggregation or other electronics that "light it" and thereby render it capable of carrying Telecommunications Services.	A "Dark Fiber IOF" consists of continuous fiber strand(s) that are located within a fiber optic cable between either (a) Accessible Terminals in two Verizon Central Offices or (b) an Accessible Terminal in a Verizon Central Office and a Covad Central Office, but, in either case, that has not been activated through connection to multiplexing, aggregation or other electronics that "light it" and thereby render it capable of carrying Telecommunications Services.	
New Section 8.1.4	<u>Verizon will provide a cross connection between two strands of Dark Fiber IOF, Dark Fiber Loop or Dark Fiber Sub-Loop located in the same Verizon central office where requested by Covad or where necessary to create a continuous Dark Fiber IOF strand between two Accessible Terminals (as described above). Verizon will splice strands of Dark Fiber IOF together wherever necessary, including in the outside plant network, to create a continuous Dark Fiber IOF strand between two Accessible Terminals (as described above). Where splicing is required, Verizon will use the fusion splicing method.</u>		
New 8.1.5	<u>The description herein of three dark fiber products, specifically the Dark Fiber Loop, Dark Fiber Sub-loop, and Dark Fiber IOF products, does not limit Covad's rights to access dark fiber in other technically-feasible configurations consistent with Applicable Law.</u>		
8.2.1	<u>An "Eligible Cross-Connect Point" shall be defined as a Covad collocation arrangement located in either (a) the same Verizon premises as the Verizon Accessible Terminal to which Dark Fiber Loops, IOF or Subloops terminate or (b) in another Verizon premises that is connected directly or indirectly to the Verizon Accessible</u>	Verizon shall be required to provide a Dark Fiber Loop only where one end of the Dark Fiber Loop terminates at a Verizon Accessible Terminal in Verizon's Central Office that can be cross-connected to Covad's collocation arrangement located in that same Verizon Central Office and the other end terminates at the Customer premise.	

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	<p><u>Terminal to which Dark Fiber Loops, IOF or Subloops terminate by a dark fiber or a lit interoffice facility or set of facilities.</u> Verizon shall be required to provide a Dark Fiber Loop only where one end of the Dark Fiber Loop terminates at a Verizon Accessible Terminal in Verizon's Central Office that can be cross-connected to an <u>Eligible Cross-Connect Point</u> <del>Covad's collocation arrangement located in that same Verizon Central Office</del> and the other end terminates at the Customer premise. Verizon shall be required to provide a Dark Fiber Sub-Loop only where (1) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal in Verizon's Central Office that can be cross-connected to an <u>Eligible Cross-Connect Point</u> <del>Covad's collocation arrangement located in that same Verizon Central Office</del> and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to an <u>Eligible Cross-Connect Point</u> <del>Covad's collocation arrangement or adjacent structure</del>, or (2) one end of the Dark Fiber Sub-Loop terminates at Verizon's main termination point located within the Customer premise and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to an <u>Eligible Cross-Connect Point</u> <del>Covad's collocation arrangement or adjacent structure</del>, or (3) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to an <u>Eligible Cross-Connect Point</u> <del>Covad's collocation arrangement or adjacent structure</del> and the other end terminates at Verizon's Accessible Terminal at another Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure. A Covad demarcation point at a Customer premise shall be established in the main telco room of the Customer premise if Verizon is located in that room or, if the building does not have a main telco room or if Verizon is not located in that room, then at a location to be determined by Verizon. A Covad demarcation point at a Customer premise shall be established at a location that is no more than 30 (unless the Parties agree otherwise in writing or as required by Applicable Law) feet from</p>	<p>Verizon shall be required to provide a Dark Fiber Sub-Loop only where (1) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal in Verizon's Central Office that can be cross-connected to Covad's collocation arrangement located in that same Verizon Central Office and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure, or (2) one end of the Dark Fiber Sub-Loop terminates at Verizon's main termination point located within the Customer premise and the other end terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure, or (3) one end of the Dark Fiber Sub-Loop terminates at Verizon's Accessible Terminal at a Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure and the other end terminates at Verizon's Accessible Terminal at another Verizon remote terminal equipment enclosure that can be cross-connected to Covad's collocation arrangement or adjacent structure. A Covad demarcation point at a Customer premise shall be established in the main telco room of the Customer premise if Verizon is located in that room or, if the building does not have a main telco room or if Verizon is not located in that room, then at a location to be determined by Verizon. A Covad demarcation point at a Customer premise shall be established at a location that is no more than 30 (unless the Parties agree otherwise in writing or as required by Applicable Law) feet from Verizon's Accessible Terminal on which the Dark Fiber Loop or Dark Fiber Sub-Loop terminates. Verizon shall connect a Dark Fiber Loop or Dark Fiber Sub-Loop to the Covad demarcation point by installing a fiber jumper no greater than 30 feet in length.</p>	

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	Verizon's Accessible Terminal on which the Dark Fiber Loop or Dark Fiber Sub-Loop terminates. Verizon shall connect a Dark Fiber Loop or Dark Fiber Sub-Loop to the Covad demarcation point by installing a fiber jumper no greater than 30 feet in length.		
8.2.2	Covad may access a Dark Fiber Loop, a Dark Fiber Sub-Loop, or Dark Fiber IOF only at a pre-existing Verizon Accessible Terminal of such Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF, and Covad may not access a Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF at any other point, including, but not limited to, a splice point or case. Dark Fiber Loops, Dark Fiber Sub-Loops and Dark Fiber IOF are not available Covad unless such Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF already are terminated on a Verizon Accessible Terminal. Except where required by Applicable Law, Verizon will not introduce additional splice points or open existing splice points or cases to accommodate Covad's request. Unused fibers located in a cable vault or a controlled environment vault, manhole or other location outside the Verizon Wire Center, and not terminated to a fiber patch panel, are not available to Covad.	Covad may access a Dark Fiber Loop, a Dark Fiber Sub-Loop, or Dark Fiber IOF only at a pre-existing Verizon Accessible Terminal of such Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF, and Covad may not access a Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF at any other point, including, but not limited to, a splice point or case. Dark Fiber Loops, Dark Fiber Sub-Loops and Dark Fiber IOF are not available Covad unless such Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF already are terminated on a Verizon Accessible Terminal. Except where required by Applicable Law, Verizon will not introduce additional splice points or open existing splice points or cases to accommodate Covad's request. Unused fibers located in a cable vault or a controlled environment vault, manhole or other location outside the Verizon Wire Center, and not terminated to a fiber patch panel, are not available to Covad.	
8.2.3	A strand shall not be deemed to be continuous if splicing is required to provide fiber continuity between two locations: Dark Fiber Loops, Dark Fiber Sub-Loops and Dark Fiber IOF will only be offered on a route-direct basis where facilities exist (i.e., no intermediate offices).	A strand shall not be deemed to be continuous if splicing is required to provide fiber continuity between two locations. Dark Fiber Loops, Dark Fiber Sub-Loops and Dark Fiber IOF will only be offered on a route-direct basis where facilities exist (i.e., no intermediate offices).	
8.2.4	Verizon shall perform all work necessary to install (1) a cross connect or a fiber jumper from a Verizon Accessible Terminal to either a Covad collocation arrangement or another Verizon Accessible Terminal or (2) from a Verizon Accessible Terminal to Covad's demarcation point at a Customer's premise or Covad Central Office.	Verizon shall perform all work necessary to install (1) a cross connect or a fiber jumper from a Verizon Accessible Terminal to a Covad collocation arrangement or (2) from a Verizon Accessible Terminal to Covad's demarcation point at a Customer's premise or Covad Central Office.	
8.2.5	For individual requests for dark fiber products, a Dark Fiber Inquiry must be submitted prior to submitting an ASR. Upon receipt of the completed Dark Fiber Inquiry, Verizon will initiate a review of its cable records to determine whether Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF may be available between the locations and in the quantities specified. Covad may request that	A Dark Fiber Inquiry must be submitted prior to submitting an ASR. Upon receipt of the completed Dark Fiber Inquiry, Verizon will initiate a review of its cable records to determine whether Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF may be available between the locations and in the quantities specified. Verizon will respond within fifteen (15) Business Days from receipt of the Covad's	

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	<p>Verizon indicate the availability of Dark Fiber IOF and Dark Fiber Loops between any two points in a LATA, without regard to the number of Dark Fiber Loops or IOF arrangements that must be spliced or cross connected together for Covad's desired route. Verizon will respond within fifteen (15) Business Days from receipt of the Covad's request, indicating whether Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF may be available based on the records search except that for voluminous requests or large, complex projects, Verizon reserves the right to negotiate a different interval. The Dark Fiber Inquiry is a record search and does not guarantee the availability of Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF.</p>	<p>request, indicating whether Dark Fiber Loop, Dark Fiber Sub-Loop or Dark Fiber IOF may be available based on the records search except that for voluminous requests or large, complex projects, Verizon reserves the right to negotiate a different interval. The Dark Fiber Inquiry is a record search and does not guarantee the availability of Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF.</p>	
<b>New 8.2.5.1</b>	<p>At Covad's request, Verizon shall provide maps of routes that contain available Dark Fiber IOF by LATA for the cost of reproduction.</p>		
<b>New 8.2.8.1</b>	<p>Required Contents of Response to Field Survey Request: Responses to field survey requests shall indicate whether: (1) the fiber is of a dual-window construction with the ability to transmit light at both 1310 nm and 1550 nm; (2) the numerical aperture of each fiber shall be at least 0.12; and (3) the maximum attenuation of each fiber is either 0.35 dB / km at 1310 nanometers (nm) and 0.25dB / km at 1550 nm.</p>		
<b>8.2.9</b>	<p>Access to Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF that terminate in a Verizon premise, must be accomplished via a collocation arrangement in that premise. In circumstances where collocation cannot be accomplished in the premises, the Parties agree to negotiate for possible alternative arrangements.</p>	<p>Access to Dark Fiber Loops, Dark Fiber Sub-loops and Dark Fiber IOF that terminate in a Verizon premise, must be accomplished via a collocation arrangement in that premise. In circumstances where collocation cannot be accomplished in the premises, the Parties agree to negotiate for possible alternative arrangements.</p>	
<b>8.2.15</b>	<p>In order to preserve the efficiency of its network, Verizon will limit Covad to leasing up to a maximum of twenty-five percent (25%) of the Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF in any given segment of Verizon's network. In addition, e Except as otherwise required by Applicable Law, Verizon may take any of the following actions, notwithstanding anything to the contrary in this Agreement:</p>	<p>In order to preserve the efficiency of its network, Verizon will limit Covad to leasing up to a maximum of twenty-five percent (25%) of the Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF in any given segment of Verizon's network. In addition, except as otherwise required by Applicable Law, Verizon may take any of the following actions, notwithstanding anything to the contrary in this Agreement:</p>	

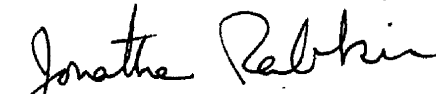


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8.2.15.1	Revoke Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF leased to Covad upon a showing of need to the Commission and <del>twenty-four</del> twelve (12) months' advance written notice to Covad; and	Revoke Dark Fiber Loops, Dark Fiber Sub-Loops or Dark Fiber IOF leased to Covad upon a showing of need to the Commission and twelve (12) months' advance written notice to Covad; and	
<b>COLLOCATION ATTACHMENT</b>			
1	Verizon shall provide to Covad, in accordance with this Agreement (including, but not limited to, Verizon's applicable Tariffs) and the requirements of Applicable Law, <u>(as if such requirements were set forth fully herein)</u> , Collocation for the purpose of facilitating Covad's interconnection with facilities or services of Verizon or access to Unbundled Network Elements of Verizon; provided, that notwithstanding any other provision of this Agreement, Verizon shall be obligated to provide Collocation to Covad only to the extent required by Applicable Law and may decline to provide Collocation to Covad to the extent that <u>a final and non-appealable judicial or regulatory decision makes the</u> provision of Collocation <del>is not</del> no longer required by Applicable Law. Subject to the foregoing, Verizon shall provide Collocation to Covad in accordance with the rates, terms and conditions set forth in Verizon's effective <u>Commission approved</u> Collocation tariff, titled "Facilities for Intrastate Access," Section 19.	Verizon shall provide to Covad, in accordance with this Agreement (including, but not limited to, Verizon's applicable Tariffs) and the requirements of Applicable Law, Collocation for the purpose of facilitating Covad's interconnection with facilities or services of Verizon or access to Unbundled Network Elements of Verizon; provided, that notwithstanding any other provision of this Agreement, Verizon shall be obligated to provide Collocation to Covad only to the extent required by Applicable Law and may decline to provide Collocation to Covad to the extent that provision of Collocation is not required by Applicable Law. Subject to the foregoing, Verizon shall provide Collocation to Covad in accordance with the rates, terms and conditions set forth in Verizon's effective Collocation tariff, titled "Facilities for Intrastate Access," Section 19.	
2	<del>Provision of Collocation: Upon request by Verizon, Covad shall provide to Verizon collocation of facilities and equipment for the purpose of facilitating Verizon's interconnection with facilities or services of Covad. Covad shall provide collocation on a non-discriminatory basis in accordance with Covad's applicable Tariffs, or in the absence of applicable Covad Tariffs, in accordance with terms, conditions and prices to be negotiated by the Parties.</del>		
<b>PRICING ATTACHMENT</b>			
1.3	1.3 The Charges for a Service shall be the <u>Commission or FCC approved Charges for the Service. Verizon represents and warrants that the charges set forth in Appendix A (attached to this Principal Document) are the Commission or FCC approved charges for Services, to the extent that such rates are available. To the extent that the</u>	The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff	

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	<p><u>Commission or the FCC has not approved certain charges in Appendix A, Verizon agrees to charge Covad such approved rates when they become available and on a retroactive basis starting with the effective date of the Agreement stated in the Providing Party's applicable Tariff.</u></p>		
1.4	<p>In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.</p>	<p>In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.</p>	
1.5	<p>The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by Charges applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.</p>	<p>The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.</p>	
New 1.9	<p>Notwithstanding anything to the contrary in Sections 1.1 to 1.7 above, Verizon shall provide advance actual written notice to CLEC of any tariff revisions submitted by Verizon to a Commission or the FCC that: (1) establish new Charges; or (2) seek to change the Charges provided in Appendix A. Whenever such tariff becomes effective, Verizon shall, within 30 days, provide Covad with an updated Appendix A showing all such new or changed rates for informational purposes only.</p>		

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Response to Covad's Petition for Arbitration in Docket No. 020960-TP were sent via first class, U.S. Mail, postage prepaid on September 30, 2002 to the parties on the attached list.

  
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Jonathan Rabkin

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