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Timolyn Henry

From: terry.scobie@verizon.com
Sent: Thursday, September 09, 2004 3:44 PM
To: Filings@psc.state.fl.us
Cc: Richard Chapkis; Kimberly Caswell; David Christian; demetria.c.watts@verizon.com; david.b.frost@verizon.com
Subject: Docket 040156-TP - Verizon Florida Inc.'s Petition for Arbitration

040156 VZ FL
'et for Arbitrati..

The attached Petition for Arbitration is submitted in Docket 040156-TP on behalf of Verizon Florida Inc. by

Richard A. Chapkis
201 N. Franklin Street, FLTC0007
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The attached .pdf document contains 38 pages - transmittal letter (1 page), certificate of service (1 page), service list
(1 page), Petition (12 pages), Exhibit A (8 pages), Exhibit B (5 pages) and Exhibit C (10 pages).

(See attached file: 040156 VZ FL Pet for Arbitration 9-9-04.pdf)

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OTH ____

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September 9, 2004 – **VIA ELECTRONIC MAIL**

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 040156-TP
Petition for Arbitration of Amendment to Interconnection Agreements With Certain Competitive Local Exchange Carriers and Commercial Mobile Radio Service Providers in Florida by Verizon Florida Inc.

Dear Ms. Bayo:

Enclosed for filing is Verizon Florida Inc.'s Petition for Arbitration in the above matter. Service has been made as indicated on the Certificate of Service. If there are any questions concerning this filing, please contact me at 813-483-1256.

Sincerely,

/s/ Richard A. Chapkis

Richard A. Chapkis

RAC:tas
Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Petition for Arbitration in Docket No. 040156-TP were sent via U.S. mail on September 9, 2004 to the parties on the attached list.

/s/ Richard A. Chapkis

Richard A. Chapkis

Staff Counsel
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Arbitration of Amendment to Interconnection Agreements with Certain Competitive Local Exchange Carriers and Commercial Mobile Radio Service Providers in Florida by Verizon Florida Inc.	))))))	**Docket No. 040156-TP Filed: September 9, 2004**

VERIZON FLORIDA INC.'S PETITION FOR ARBITRATION

Verizon Florida Inc. ("Verizon") files its Petition for Arbitration of an amendment to its interconnection agreements with certain competitive local exchange carriers, in accordance with this Commission's July 12, 2004 Order in this docket,[1] the FCC's *Triennial Review Order*,[2] and section 252 of the Telecommunications Act of 1996. The CLECs included in this arbitration are: ALEC Inc., d/b/a Volaris Telcom Inc.; AT&T Communications of the Southern States Inc.; Ganoco Inc., d/b/a American Dial Tone; Intermedia Communications Inc.; LecStar Telecom Inc.; Level 3 Communications LLC; Local Line America, Inc; MCI WorldCom Communications, Inc.; MCImetro Access Transmission Services, LLC; Metropolitan Fiber Systems of Florida, Inc.; NewSouth Communications Corp.; Saluda Networks Incorporated; Supra Telecommunications & Information Systems Inc.; Tallahassee Telephone Exchange Inc.; TCG South Florida; The Ultimate Connection L.C., d/b/a DayStar Communications; USA Telephone Inc., d/b/a

[1] Order Granting Sprint Communications Company Limited Partnership's Motion to Dismiss, Order No. PSC-04-0671-FOF-TP (July 12, 2004) ("July 12 Order").

[2] Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, etc.*,18 FCC Rcd 16978 (Aug. 21, 2003) ("*Triennial Review Order*" or "*TRO*"), *vacated in part and remanded, United States Telecom Ass'n v. FCC*, 359 F.3d 554 (D.C. Cir. Mar. 2, 2004) ("*USTA II*").

Choice One Telecom; Xspedius Management Co. of Jacksonville L.L.C., d/b/a Xspedius Communications.[3]

Verizon seeks arbitration with these CLECs because their interconnection agreements might be misconstrued to call for amendment before Verizon may cease providing unbundled network elements ("UNEs") eliminated by the *TRO* or the D.C. Circuit's mandate in its *USTA II* decision.[4] Verizon's interconnection agreements with all other CLECs already contain clear and specific terms permitting Verizon, upon designated notice (or no specified notice), to stop providing unbundled access to facilities that are no longer subject to an unbundling obligation under 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51. Thus, these CLECs' agreements need not be amended before Verizon may discontinue delisted UNEs, and Verizon is not seeking arbitration with them.[5]

[3] Some CLECs listed above adopted their interconnection agreements after the October 2, 2003 effective date of the TRO. Verizon does not waive its argument that such adoptions did not include any provisions that could be construed to require Verizon to provide UNEs as to which the TRO removed Verizon's unbundling obligation, as any reasonable period of time for adopting such provisions had expired under the FCC's rules implementing section 252(i) of the Act (*see, e.g.*, 47 CFR Section 51.809(c)). Verizon also reserves and intends to exercise any rights it may have with respect to termination of any interconnection agreements at issue in this arbitration.

[4] Amendments may well not be required even for agreements that could be misconstrued to call for an amendment to effect a change of law, such as the agreements with the CLECs in this arbitration. Verizon does not, by proceeding with this arbitration, waive the right to argue that the issuance of the mandate in *USTA II* does not generate a "change of law" under the terms of the parties' agreements. Nor does Verizon waive the argument that it cannot be required under its agreements with the CLECs in this arbitration to continue to provide UNEs eliminated by the *TRO* or *USTA II*. In addition, some contracts of the CLECs in this arbitration clearly specify that Verizon may discontinue particular UNEs upon notice. This arbitration should nevertheless proceed as to all of the named CLECs in order to eliminate any doubt regarding Verizon's right to cease providing any UNEs eliminated by federal law.

[5] Verizon recognizes that its right under these agreements to discontinue provision of mass-market switching, high-capacity loops, and dedicated transport, and to re-price existing arrangements, is governed by the various aspects of the FCC's *Interim Order*, discussed below, to the extent that order becomes and remains legally effective.

With respect to the eighteen CLECs in this arbitration, the FCC's recent *Interim Order*[6] "expressly preserve[d]" Verizon's right "to initiate change of law proceedings" to ensure a "speedy transition" to any permanent rules definitively eliminating unbundling requirements for mass-market switching, high-capacity loops, and dedicated transport. *Interim Order* ¶ 22. Indeed, such proceedings should "presume the absence of unbundling requirements" for those elements, so that any amendments to agreements "may take effect quickly" if the FCC "decline[s] to require unbundling of the elements at issue" or does not issue final rules within "six months after Federal Register publication of" the *Interim Order*. *Id.* ¶ 23. This arbitration, therefore, should move forward promptly and conclude by the six-month deadline the FCC has established for adoption of its final rules.

I. BACKGROUND

On February 20, 2004, Verizon filed a petition for arbitration to amend Verizon's interconnection agreements to reflect changes in unbundling rules the FCC adopted in its *Triennial Review Order*. On March 19, Verizon filed an Update to its Petition and a revised *TRO* amendment to reflect the D.C. Circuit's decision in *USTA II*, in which it affirmed in part and vacated in part the FCC's *Triennial Review Order*. In particular, the Court struck down several of the unbundling obligations that the FCC imposed on incumbent carriers, while affirming the FCC in almost all respects in instances where the FCC eliminated or restricted the ILECs' network unbundling obligations. The Court's mandate issued on June 16, 2004, eliminating unbundling obligations for mass-market switching and high-capacity loops and transport.

[6] Order and Notice of Proposed Rulemaking, *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, FCC 04-179 (rel. Aug. 20, 2004) ("*Interim Order*").

In March and April, various CLECs filed motions to dismiss Verizon's Petition and Update to Petition. On July 12, 2004, the Commission issued its Order dismissing Verizon's Petition, without prejudice, finding that Verizon had not sufficiently complied with the arbitration filing requirements under section 252(b)(2) of the Act. Although the Commission acknowledged that CLECs' failure to respond to Verizon's requests for negotiation of a *TRO* Amendment had "contributed greatly to the lack of information available," it concluded that the Commission would be "severely impaired" in conducting the arbitration without more detailed information. Therefore, the Commission gave Verizon 60 days to file a "corrected Petition" including the following information:

a.) parties to the arbitration;

b.) specific issues in dispute;

c.) positions of the parties on the disputed issues;

d.) **whether the agreements contain a change of law provision;**

e.) **whether the agreements contain an alternative dispute resolution provision.**

On August 20, 2004, the FCC issued its *Interim Rules Order* purportedly in response to the D.C. Circuit's *USTA II* decision. [7] As noted, the *Interim Rules Order* expects that change-of-law proceedings, like this one, will establish a framework to assure a swift transition to the FCC's permanent rules addressing mass-market switching, high-capacity loops, and dedicated transport. *Interim Order* ¶ 22. The FCC specified that, although these proceedings may presume the elimination of unbundling for these items, their results "must reflect the transitional" structure the FCC established in its *Interim*

[7] Order and Notice of Proposed Rulemaking, *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, FCC 04-179 (rel. Aug. 20, 2004) ("*Interim Order*").

Order. *Id*. at ¶ 22. Verizon has, therefore, revised its Amendment (attached as Exhibit A) accordingly.

II. VERIZON'S AMENDMENT

Most of Verizon's interconnection agreements specify that Verizon may discontinue, upon notice, UNEs that it has no legal obligation to provide under federal law. Therefore, there is no need to amend these contracts to give contractual effect to the elimination of particular unbundling obligations under the *TRO* and *USTA II*. As to the eighteen carriers in this arbitration, however, an amendment may be desirable to remove any doubt about Verizon's rights to cease providing items that are no longer UNEs under federal law.

The structure of Verizon's proposed Amendment is simple: it makes clear that Verizon's unbundling obligations are governed exclusively by federal law—specifically, section 251(c)(3) of the Act, 47 C.F.R. Part 51, and the FCC's Interim Rules (to the extent they are effective)—and when federal law no longer requires unbundled access to particular elements, then Verizon may cease providing such access upon appropriate notice. Consistent with the D.C. Circuit's *USTA II* ruling, the amendment recognizes that only the FCC (and not the state Commissions) has the authority to make the section 251(d)(2) impairment finding that is necessary before an incumbent may be ordered to provide access to a network element as a UNE. *See* 345 F.3d, *supra*, at 565-68.

In this regard, the FCC's *TRO* removed a number of unbundling obligations in rulings that were either affirmed on appeal or not challenged. These decisions include, among others, the elimination of unbundling requirements for all enterprise switching, OCn loops and transport, and the feeder portion of the loop; and its determination that the

broadband capabilities of hybrid copper-fiber loops and fiber-to-the-premises facilities are not subject to unbundling. There has never been any legitimate reason for the CLECs' attempts to block Verizon's efforts to amend its contracts to reflect these rulings, and Verizon's amendment would give contractual effect to these rulings without further delay.

Although the *Interim Order* imposes transitional unbundling obligations on the mass-market and high-capacity facilities affected by the *USTA II* mandate, the FCC expected change-of-law proceedings to presume the definitive elimination of these UNEs under the FCC's permanent rules. Consistent with this approach, Verizon's amendment will allow Verizon to discontinue these UNEs, upon 90 days' notice, once the *Interim Rules* are no longer in effect (or if they never take effect). However, if the FCC decides to re-impose unbundling obligations for any UNE eliminated by the D.C. Circuit, Verizon's amendment will also accommodate that outcome, because it requires Verizon to provide unbundled access to the extent required by the FCC's rules implementing section 251(c)(3) of the Act. As the FCC recognized, establishing the terms of transition now through an appropriate amendment, *before* the FCC's final rules take effect, is critical to avoiding unnecessary uncertainty and controversy later.

Below, Verizon briefly describes the specific provisions of the Amendment.

General Conditions

Verizon's amendment begins with a section describing generally the conditions under which CLECs have a right to obtain access to UNEs. It provides that Verizon's obligation to offer CLECs access to UNEs is governed by the Federal Unbundling Rules (defined as section 251(c)(3) of the Act, Part 51 of the FCC's Rules, and, if effective, the FCC's *Interim Rules Order*), *see TRO* Amendment §§ 2.1, 4.7.12, and only for those

purposes contemplated by federal law, *see id.* § 2.2. If Verizon is ever required to offer items that are not UNEs under an agreement as of the effective date of the Amendment, the prices will be those established in Verizon's tariffs or through negotiation with individual CLECs. *See id.* § 2.3.

Discontinued Facilities

Section 3.1 states that Verizon shall not be required to offer, on an unbundled basis, any facility "that is or becomes a Discontinued Facility." A Discontinued Facility is defined as a facility that Verizon provided to the CLEC as a UNE at any time prior to the effective date of the Amendment, but that Verizon is no longer required to provide under federal law. Amendment, § 4.75. Section 3.1 makes clear that, provided it has given 90 days' advance notice of discontinuation, Verizon will provide a Discontinued Facility, or will accept orders for a Discontinued Facility, only through the effective date of Verizon's notice of discontinuance. This section also recognizes Verizon's right to discontinue, without further notice, UNEs that it has a pre-existing or independent right to cease providing.

Section 3.2 allows CLECs to continue to obtain access to Discontinued Facilities under a separate agreement (*e.g.,* at market-based rates, under tariff, or through resale) as long as this arrangement is secured before the date upon which Verizon may cease providing the Discontinued Facility. If, by that time, the CLEC has not requested disconnection of the Discontinued Facility or made arrangements for non-UNE access to it, then Verizon will reprice the Facility at the equivalent of access, resale, or other analogous arrangement that Verizon will identify in a written notice to the CLEC. The provision recognizes that before the Amendment took effect, Verizon had already provided written

notices to the CLECs identifying the arrangements that would replace certain Discontinued Facilities, so Verizon may implement those arrangements without further notice.

Section 3.3 specifies that negotiation of arrangements for services to replace UNEs are not governed by 47 U.S.C. § 252(a)(1) or 47 C.F.R. Part 51, and are thus not subject to arbitration under 47 U.S.C. § 252(b).

Section 3.4 makes clear that nothing in the Amendment affects any pre-existing or independent right Verizon may have to cease providing Discontinued Facilities.

Section 3.5 recognizes Verizon's right to implement any rate increases or new charges established in the FCC's *Interim Rules Order* or subsequent rulemakings. Verizon will issue CLECs a schedule of rate increases and/or new charges, which will take effect on the date indicated in the schedule. Section 3.5 recognizes that any rate increases permitted by the FCC may be in addition to increases approved by this Commission or that Verizon otherwise has a right to implement.

Miscellaneous Provisions

The provisions in this section specify that the Amendment shall generally govern in the event of a conflict between the Amendment and the underlying agreement (§ 4.1); that the Amendment may be executed in counterparts (§ 4.2); that section captions are solely for convenience or reference (§ 4.3); that the Amendment does not extend the term of the underlying Agreement or affect a Party's rights to terminate that Agreement (§ 4.4); and that nothing in the Agreement or the Amendment affects either Party's right to seek appeal or otherwise challenge or stay any Florida Commission or FCC rules or orders or court decisions that may affect its rights under the Agreement, the Amendment, or applicable law (§ 4.5).

Joint Work Product

Section 4.6 states that the Amendment is a joint work product and any ambiguities shall not be construed against either Party.

Definitions

Section 4.7 defines the terms used in the Amendment. The "Discontinued Facility" (§ 4.7.5) and Federal Unbundling Rules (§ 4.7.122) definitions are critical to the structure of the Amendment. A Discontinued Facility is any facility that Verizon has offered at any time on an unbundled basis pursuant to the Federal Unbundling Rules, but which is no longer subject to an unbundling requirement. Discontinued Facilities include any entrance facility; all enterprise switching, including Four-Line Carve Out switching; OCn loops and OCn dedicated transport; the feeder portion of a loop; line sharing; most call-related databases; signaling or shared transport provisioned in connection with enterprise or four-line carve-out switching; fiber-to-the-premises loops; hybrid loops subject to narrowband exceptions; and other facilities for which there is no valid FCC impairment finding.

As noted above, "Federal Unbundling Rules" include any lawful requirements to provide unbundled access under 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51, or pursuant to the *Interim Rules Order* (to the extent it is effective).

III. DISPUTED ISSUES

On the attached Exhibit B, Verizon has, to the extent possible, set forth the disputed issues in this arbitration, along with the parties' positions on those issues. The CLECs' positions in this matrix are taken primarily from their responses (if any) to Verizon's original Petition for Arbitration and its previous *TRO* Amendment. As noted, however, Verizon has

revised its Amendment slightly to recognize the FCC's *Interim Rules*. The updated version of the Amendment takes the same approach as the superseded version in terms of recognizing Verizon's right to discontinue UNEs that are no longer required under federal law. Therefore, the parties' issues and positions should not change significantly with the updated Amendment. Nevertheless, as Verizon's proposed schedule reflects, it is willing to give the CLECs 30 days to consider the revisions and to conclude any further negotiations that may be required. Verizon anticipates further refinement of the issues matrix after that period, by means of the Commission's usual issues identification process.

IV. CHANGE OF LAW AND ALERNATIVE DISPUTE RESOLUTION PROVISIONS

Exhibit C lists the CLECs in the arbitration and includes the change-of-law and alternative dispute resolution provisions in their respective contracts. In accordance with the Commission's directive to more closely review the change-of-law provisions in each of its interconnection agreements, Verizon has included in this arbitration only those that might be misconstrued to require an amendment before Verizon may discontinue delisted UNEs. As noted above, however, Verizon does not concede that the issuance of the mandate in *USTA II* constituted a "change of law" that requires renegotiation under the terms of those agreements, nor does it waive its claim that it cannot be required under any of its agreements to continue to provide UNEs eliminated by the *Triennial Review Order* or *USTA II*.

As Exhibit C shows, all of the alternative dispute resolution provisions in the Agreements at issue apply only to "disputes arising out of" or "under" the interconnection

Agreements. They do not apply to the process of amending the Agreement to incorporate changes in unbundling requirements.

V. PROPOSED SCHEDULE

To satisfy the FCC's objective of assuring a speedy transition to new unbundling rules, this arbitration should move forward promptly and conclude by the six-month deadline the FCC has established for adoption of its final rules. The schedule Verizon proposes is manageable because this proceeding presents only legal issues, which may be briefed without the need for a hearing or prefiled testimony.

Although no additional negotiations period is necessary, Verizon's schedule allows an additional 30 days of negotiations on Verizon's *TRO* Amendment. This courtesy period for review of the Amendment is generous, given that Verizon initiated negotiation of a *TRO* amendment--with little response from CLECs--almost a year ago. Indeed, a Texas Arbitrator last week rejected AT&T's proposal for a longer negotiating period, finding that Verizon's suggested 30-day period is reasonable and complies with the Act and any contractual negotiation provisions, in light of the fact that Verizon had filed its arbitration petition six months earlier.[8]

Verizon proposes the following schedule for this arbitration:

September 9, 2004: Verizon files its updated TRO Amendment, along with its corrected Petition for Arbitration.

September 9-October 11, 2004: TRO Amendment negotiations continue.

[8] Petition of Verizon Southwest for Arbitration of an Amendment to Interconnection Agreements, Docket 29451, Ruling on Motion for Reconsideration or Clarification, at 4 (Tex. P.U.C. Sept. 1, 2004).

October 18, 2004: Issues identification conference held to determine final list of issues for arbitration.

November 18, 2004: Parties file briefs on the issues identified for resolution in the arbitration.

December 20, 2004: Parties submit reply briefs.

January 20, 2005: Staff releases its recommended arbitration decision.

February 1, 2005: Commission votes on Staff's recommendation.

February 15, 2005: Commission issues its arbitration order.

Respectfully submitted,

/s/ Richard A. Chapkis

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Counsel for Verizon Florida Inc.

Exhibit A

AMENDMENT NO. __

to the

INTERCONNECTION AGREEMENT

between

VERIZON FLORIDA INC.

and

[CLEC FULL NAME]

This Amendment No. [NUMBER] (the "Amendment") is made by and between Verizon Florida Inc. ("Verizon"), a Florida corporation with offices at 201 N Franklin Street, Tampa, FL 33602-5167, and [CLEC FULL NAME], a [CORPORATION/PARTNERSHIP] with offices at [CLEC ADDRESS] ("***CLEC Acronym TXT***"), and shall be deemed effective on _____ **(the "Amendment Effective Date").** Verizon and ***CLEC Acronym TXT*** are hereinafter referred to collectively as the "Parties" and individually as a "Party". This Amendment covers services in Verizon's service territory in the State of Florida (the "State").

WITNESSETH:

NOTE: DELETE THE FOLLOWING WHEREAS SECTION ONLY IF CLEC's AGREEMENT HAS USED AN ADOPTION LETTER:

[WHEREAS, Verizon and ***CLEC Acronym TXT*** are Parties to an Interconnection Agreement under Sections 251 and 252 of the Communications Act of 1934, as amended (the "Act") dated [INSERT DATE] (the "Agreement"); and**]**

NOTE: INSERT THE FOLLOWING WHEREAS SECTION ONLY IF CLEC's AGREEMENT USED AN ADOPTION LETTER:

[WHEREAS, pursuant to an adoption letter dated [INSERT DATE OF ACTUAL ADOPTION LETTER] (the "Adoption Letter"), ***CLEC Acronym TXT*** adopted in the State of Florida, the interconnection agreement between [NAME OF UNDERLYING CLEC AGREEMENT] and Verizon (such Adoption Letter and underlying adopted interconnection agreement referred to herein collectively as the "Agreement"); and**]**

WHEREAS, the Federal Communications Commission (the "FCC") released an order on August 21, 2003 in CC Docket Nos. 01-338, 96-98, and 98-147 (the "Triennial Review Order" or "TRO"), which became effective as of October 2, 2003; and

WHEREAS, on March 2, 2004, the U.S. Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit") issued a decision affirming in part and vacating in part the TRO (the "D.C. Circuit Decision"); and

WHEREAS, on August 20, 2004, the FCC released an Order in WC Docket No. 04-313 and CC Docket No. 01-338 (the "Interim Rules Order") setting forth certain interim rules regarding the temporary reinstatement of unbundling obligations for certain network elements with respect to which the D.C.

Circuit Decision holds that the FCC has made no lawful impairment finding under Section 251 of the Act; and

WHEREAS, pursuant to Section 252(a) of the **[NOTE: IF CLEC'S AGREEMENT IS AN ADOPTION, REPLACE "Act" WITH: "the Communications Act of 1934, as amended, (the "Act")]** Act, the Parties wish to amend the Agreement in order to give contractual effect to the provisions of the TRO and certain aspects of the D.C. Circuit Decision as set forth herein; and

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, the Parties agree to amend the Agreement as follows:

1. Amendment to Agreement. The Agreement is amended to include the following provisions, which shall apply to and be a part of the Agreement notwithstanding any other provision of the Agreement or a Verizon tariff or a Verizon Statement of Generally Available Terms and Conditions ("SGAT").

2. General Conditions.

2.1 Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT: (a) Verizon shall be obligated to provide access to unbundled Network Elements ("UNEs") and combinations of unbundled Network Elements ("Combinations") to ***CLEC Acronym TXT*** under the terms of this Amended Agreement only to the extent required by the Federal Unbundling Rules, and (b) Verizon may decline to provide access to UNEs and Combinations to ***CLEC Acronym TXT*** to the extent that provision of access to such UNEs or Combinations is not required by the Federal Unbundling Rules.

2.2 ***CLEC Acronym TXT*** may use a UNE or a Combination only for those purposes for which Verizon is required by the Federal Unbundling Rules to provide such UNE or Combination to ***CLEC Acronym TXT***.

2.3 Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, to the extent Verizon becomes obligated to provide to ***CLEC Acronym TXT*** pursuant to the Federal Unbundling Rules a Discontinued Facility or a UNE, Combination, or related service that, as of the Amendment Effective Date, Verizon is not required to provide to ***CLEC Acronym TXT*** under the Amended Agreement and the Federal Unbundling Rules, the rates, terms, conditions for such Discontinued Facility, UNE, Combination, or related service shall be as provided in an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for such rates, terms, and conditions, or (in the absence of an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for such rates, terms, and conditions) as mutually agreed by the Parties in a written amendment to the Amended Agreement. For the avoidance of doubt, notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, Verizon, unless and until such time as Verizon is required to do so by an applicable Verizon tariff that Verizon, after the Amendment Effective Date, establishes or revises to provide for the applicable rates, terms, and conditions or by a mutually agreed written amendment to the Amended Agreement setting forth the applicable rates, terms, and conditions, shall not be required under the Amended Agreement (a) to perform any routine network modification that the Agreement does not expressly and specifically require Verizon to perform (including, but not limited to, any routine network modification required under 47 C.F.R. § 51.319(a)(8) or 47 C.F.R.§ 51.319(e)(5)), (b) to commingle, or to permit the commingling of, UNEs or Combinations with other wholesale services obtained from Verizon under a Verizon access tariff, separate non-251 agreement, or otherwise, or (c) to offer or provide, for any period of time not required under Section 3 of this Amendment, any facility that is or becomes a Discontinued Facility.

3. Discontinued Facilities.

3.1 Generally. Notwithstanding any other provision of the Agreement, this Amendment, or any Verizon tariff or SGAT, Verizon shall not be obligated to offer or provide access on an unbundled basis at rates prescribed under Section 251 of the Act to any facility that is or becomes a Discontinued Facility, whether as a stand-alone UNE, as part of a Combination, or otherwise. To the extent Verizon has not already ceased providing a particular Discontinued Facility to ***CLEC Acronym TXT***, Verizon, provided it has given at least ninety (90) days written notice of discontinuance of such Discontinued Facility, will continue to provide such Discontinued Facility under the Amended Agreement only through the effective date of the notice of discontinuance, and not beyond that date. To the extent a facility is (or becomes) a Discontinued Facility only as to new orders that ***CLEC Acronym TXT*** may place for such a facility, Verizon, to the extent it has not already discontinued its acceptance of such new orders and provided it has given at least ninety (90) days written notice of its intention to do so, may reject such new orders on the effective date of the notice of discontinuance and thereafter. Verizon may, but shall not be required to, issue the foregoing notice in advance of the date on which the facility shall become a Discontinued Facility as to new orders that ***CLEC Acronym TXT*** may place, so as to give effect to Verizon's right to reject such new orders immediately on that date. The Parties acknowledge that Verizon, prior to the Amendment Effective Date, has provided ***CLEC Acronym TXT*** with any required notices of discontinuance of certain Discontinued Facilities, and that Verizon, to the extent it has not already done so pursuant to a pre-existing or independent right it may have under the Agreement, a Verizon SGAT or tariff, or otherwise, may, at any time and without further notice to ***CLEC Acronym TXT***, cease providing any such Discontinued Facilities. This Section 3.1 is intended to limit any obligation Verizon might otherwise have to provide to ***CLEC Acronym TXT*** (or to notify ***CLEC Acronym TXT*** of the discontinuance of) any facility that is or becomes a Discontinued Facility, and nothing contained in this Section 3.1 or elsewhere in this Amendment shall be deemed to establish in the first instance or to extend any obligation of Verizon to provide any facility or Discontinued Facility. This Section 3.1 shall apply notwithstanding anything contained in the Agreement, this Amendment, or any Verizon tariff or SGAT, but without limiting any other right Verizon may have under the Agreement, this Amendment, or any Verizon tariff or SGAT to cease providing a facility that is or becomes a Discontinued Facility.

3.2 Continuation of Facilities Under Separate Arrangement. To the extent ***CLEC Acronym TXT*** wishes to continue to obtain access to a Discontinued Facility under a separate arrangement (e.g., a separate agreement at market-based rates, an arrangement under a Verizon access tariff, or resale), ***CLEC Acronym TXT*** shall have promptly undertaken and concluded such efforts as may be required to secure such arrangement prior to the date on which Verizon is permitted to cease providing the Discontinued Facility; provided, however, that in no event shall ***CLEC Acronym TXT***'s failure to secure such an arrangement affect Verizon's right to cease providing a facility that is or becomes a Discontinued Facility. If Verizon is permitted to cease providing a Discontinued Facility under this Section 3 and ***CLEC Acronym TXT*** has not submitted an LSR or ASR, as appropriate, to Verizon requesting disconnection of the Discontinued Facility and has not separately secured from Verizon an alternative arrangement to replace the Discontinued Facility, then Verizon, to the extent it has not already done so prior to execution of this Amendment, shall reprice the subject Discontinued Facility by application of a new rate (or, in Verizon's sole discretion, by application of a surcharge) to be equivalent to access, resale, or other analogous arrangement that Verizon shall identify in a written notice to ***CLEC Acronym TXT***. The rates, terms, and conditions of any such arrangements shall apply and be binding upon ***CLEC Acronym TXT*** as of the date specified in the written notice issued by Verizon. The Parties acknowledge that Verizon has, in such written notices issued to

CLEC Acronym TXT prior to the Amendment Effective Date, identified such arrangements to replace certain Discontinued Facilities and that Verizon, to the extent it has not already done so, may implement such arrangements without further notice.

3.3 Limitation With Respect to Replacement Arrangements. Notwithstanding any other provision of this Amended Agreement, any negotiations regarding any replacement arrangement or other facility or service that Verizon is not required to provide under the Federal Unbundling Rules shall be deemed not to have been conducted pursuant to the Amended Agreement, 47 U.S.C. § 252(a)(1), or 47 C.F.R. Part 51, and shall not be subject to arbitration pursuant to 47 U.S.C. § 252(b). Any reference in this Amended Agreement to Verizon's provision of a facility, service, or arrangement that Verizon is not required to provide under the Federal Unbundling Rules is solely for the convenience of the Parties and shall not be construed to require or permit arbitration of such rates, terms, or conditions pursuant to 47 U.S.C. § 252(b).

3.4 Pre-Existing and Independent Discontinuance Rights. Verizon's rights as to discontinuance of Discontinued Facilities pursuant to this Section 3 are in addition to, and not in limitation of, any rights Verizon may have as to discontinuance of Discontinued Facilities under the Agreement, a Verizon tariff or SGAT, or otherwise. Nothing contained herein shall be construed to prohibit, limit, or delay Verizon's exercise of any pre-existing or independent right it may have under the Agreement, a Verizon tariff or SGAT, or otherwise to cease providing a Discontinued Facility.

3.5 Implementation of Rate Changes. Notwithstanding any other provision of the Amended Agreement (including, but not limited to, the rates and charges set forth therein), Verizon may, but shall not be required to, implement any rate increases or new charges that may be established by the FCC in its Interim Rules Order or subsequent rulemakings, once effective, for unbundled network elements, combinations of unbundled network elements, or related services, by issuing to ***CLEC Acronym TXT*** a schedule of such rate increases and/or new charges, provided that the rate provisions of such FCC orders and/or rulemakings are not subject to a stay issued by any court of competent jurisdiction. Any such rate increases or new charges shall take effect on the date indicated in the schedule issued by Verizon, but no earlier than the date established by the FCC, and shall be paid by ***CLEC Acronym TXT*** in accordance with the terms of the Amended Agreement. Any such rate increases and new charges that the FCC may establish shall be in addition to, and not in limitation of, any rate increases and new charges that the Florida Public Service Commission may approve or that Verizon may otherwise implement under the Amended Agreement or applicable tariffs. Nothing set forth in this Section 3.5 shall be deemed an admission of Verizon or limit Verizon's right to appeal, seek reconsideration of, or otherwise seek to have stayed, modified, reversed, or invalidated any limit the FCC may impose on Verizon's rates and charges.

4. Miscellaneous Provisions.

4.1 Conflict between this Amendment and the Agreement. This Amendment shall be deemed to revise the terms and provisions of the Agreement to the extent necessary to give effect to the terms and provisions of this Amendment. In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement this Amendment shall govern, provided, however, that the fact that a term or provision appears in this Amendment but not in the Agreement, or in the Agreement but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 4.1.

4.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

4.3 Captions. The Parties acknowledge that the captions in this Amendment have been inserted solely for convenience of reference and in no way define or limit the scope or substance of any term or provision of this Amendment.

4.4 Scope of Amendment. This Amendment shall amend, modify and revise the Agreement only to the extent set forth expressly herein. As used herein, the Agreement, as revised and supplemented by this Amendment, shall be referred to as the "Amended Agreement". Nothing in this Amendment shall be deemed to amend or extend the term of the Agreement, or to affect the right of a Party to exercise any right of termination it may have under the Agreement.

4.5 Reservation of Rights. Notwithstanding any contrary provision in the Agreement, this Amendment, or any Verizon tariff or SGAT, nothing contained in the Agreement, this Amendment, or any Verizon tariff or SGAT shall limit either Party's right to appeal, seek reconsideration of or otherwise seek to have stayed, modified, reversed or invalidated any order, rule, regulation, decision, ordinance or statute issued by the Florida Public Service Commission, the FCC, any court or any other governmental authority related to, concerning or that may affect either Party's rights or obligations under the Agreement, this Amendment, any Verizon tariff or SGAT, or Applicable Law.

4.6 Joint Work Product. This Amendment is a joint work product, and any ambiguities in this Amendment shall not be construed by operation of law against either Party.

4.7 Definitions. Notwithstanding any other provision in the Agreement or any Verizon tariff or SGAT, the following terms, as used in the Amended Agreement, shall have the meanings set forth below:

4.7.1 Call-Related Databases. Databases, other than operations support systems, that are used in signaling networks for billing and collection, or the transmission, routing, or other provision of a telecommunications service. Call-related databases include, but are not limited to, the calling name database, 911 database, E911 database, line information database, toll free calling database, advanced intelligent network databases, and downstream number portability databases.

4.7.2 Dedicated Transport. A DS1 or DS3 transmission facility between Verizon switches (as identified in the LERG) or wire centers, within a LATA, that is dedicated to a particular end user or carrier. Transmission facilities or services provided between (i) a Verizon wire center or switch and (ii) a switch or wire center of ***CLEC Acronym TXT*** or a third party are not Dedicated Transport.

4.7.3 Discontinued Facility. Any facility that Verizon, at any time, has provided or offered to provide to ***CLEC Acronym TXT*** on an unbundled basis pursuant to the Federal Unbundling Rules (whether under the Agreement, a Verizon tariff, or a Verizon SGAT), but which by operation of law has ceased or ceases to be subject to an unbundling requirement under the Federal Unbundling Rules. By way of example and not by way of limitation, Discontinued Facilities include the following, whether as stand-alone facilities or combined with other facilities: (a) any Entrance Facility; (b) Enterprise Switching; (c) Four-Line Carve Out Switching; (d) OCn Loops and OCn Dedicated Transport; (e) the Feeder portion of a Loop; (f) Line Sharing; (g) any Call-Related Database, other than the 911 and E911 databases, that is not provisioned in connection with ***CLEC Acronym TXT***'s use of Verizon's Mass Market Switching; (h) Signaling or Shared Transport that is provisioned in connection with ***CLEC Acronym TXT***'s use of Verizon's

Enterprise Switching or Four-Line Carve Out Switching; (i) FTTP Loops (lit or unlit); (j) Hybrid Loops (subject to exceptions for narrowband services (i.e., equivalent to DS0 capacity); and (j) any other facility or class of facilities as to which the FCC has not made a finding of impairment that remains effective or otherwise addressed in the Interim Rules Order or similar order, or as to which the FCC has made a finding of nonimpairment.

4.7.4 Enterprise Switching. Local Switching or Tandem Switching that, if provided to ***CLEC Acronym TXT*** would be used for the purpose of serving ***CLEC Acronym TXT***'s customers using DS1 or above capacity Loops.

4.7.5 Entrance Facility. A transmission facility (lit or unlit) or service provided between (i) a Verizon wire center or switch and (ii) a switch or wire center of ***CLEC Acronym TXT*** or a third party.

4.7.6 Federal Unbundling Rules. Any lawful requirement to provide access to unbundled network elements that is imposed upon Verizon by the FCC pursuant to both 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51, or pursuant to the Interim Rules Order (but only once effective and only to the extent not stayed, vacated, reversed, modified or otherwise rendered ineffective by the FCC or a court of competent jurisdiction). Any reference in this Amendment to "Federal Unbundling Rules" shall not include an unbundling requirement if the unbundling requirement does not exist under both 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51, or under the Interim Rules Order.

4.7.7 Feeder. The fiber optic cable (lit or unlit) or metallic portion of a Loop between a serving wire center and a remote terminal or feeder/distribution interface.

4.7.8 Four-Line Carve Out Switching. Local Switching that Verizon is not required to provide pursuant to 47 C.F.R. § 51.319(d)(3)(ii).

4.7.9 FTTP Loop. A Loop consisting entirely of fiber optic cable, whether dark or lit, that extends from (a) the main distribution frame (or its equivalent) in an end user's serving wire center to (b) the demarcation point at the end user's customer premises; provided, however, that in the case of predominantly residential multiple dwelling units (MDUs), an FTTP Loop is a Loop consisting entirely of fiber optic cable, whether dark or lit, that extends from the main distribution frame (or its equivalent) in the wire center that serves the multiunit premises, to or beyond the multiunit premises' minimum point of entry (MPOE), as defined in 47 C.F.R § 68.105.

4.7.10 Hybrid Loop. A local Loop composed of both fiber optic cable and copper wire or cable.

4.7.11 Line Sharing. The process by which ***CLEC Acronym TXT*** provides xDSL service over the same copper Loop that Verizon uses to provide voice service by utilizing the frequency range on the copper loop above the range that carries analog circuit-switched voice transmissions (the High Frequency Portion of the Loop, or "HFPL"). The HFPL includes the features, functions, and capabilities of the copper Loop that are used to establish a complete transmission path between Verizon's main distribution frame (or its equivalent) in its serving Wire Center and the demarcation point at the end user's customer premises, and includes the high frequency portion of any inside wire (including any House and Riser Cable) owned and controlled by Verizon.

4.7.12 Local Switching. The line-side and trunk-side facilities associated with the line-side port, on a circuit switch in Verizon's network (as identified in the LERG), plus the features, functions, and capabilities of that switch, unbundled from loops and transmission facilities, including: (a) the line-side Port (including the capability to connect a Loop termination and a switch line card, telephone number assignment, dial tone, one primary directory listing, pre-subscription, and access to 911); (b) line and line group features (including all vertical features and line blocking options the switch and its associated deployed switch software are capable of providing that are provided to Verizon's local exchange service Customers served by that switch); (c) usage (including the connection of lines to lines, lines to trunks, trunks to lines, and trunks to trunks); and (d) trunk features (including the connection between the trunk termination and a trunk card).

4.7.13 Mass Market Switching. Local Switching or Tandem Switching that, if provided to ***CLEC Acronym TXT***, would be used for the purpose of serving a ***CLEC Acronym TXT*** end user customer with three or fewer DS0 Loops. Mass Market Switching does not include Four Line Carve Out Switching.

4.7.14 Signaling. Signaling includes, but is not limited to, signaling links and signaling transfer points.

4.7.15 Tandem Switching. The trunk-connect facilities on a Verizon circuit switch that functions as a tandem switch, plus the functions that are centralized in that switch, including the basic switching function of connecting trunks to trunks, unbundled from and not contiguous with loops and transmission facilities. Tandem Switching creates a temporary transmission path between interoffice trunks that are interconnected at a Verizon tandem switch for the purpose of routing a call. A tandem switch does not provide basic functions such as dial tone service.

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

CLEC FULL NAME	**VERIZON FLORIDA INC.**
By: _____	By: _____
Printed: _____	Printed: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit B

STATEMENT OF ISSUES

ISSUE	DRAFT AMENDMENT SECTION	DESCRIPTION	TYPE OF ISSUE	VERIZON POSITION	CLEC POSITION[1]
1	2.1, 2.2, 2.3, 3.1, 4.7.5, 4.7.12	Must interconnection agreements provided for by 47 U.S.C. §251 and subject to arbitration under 47 U.S.C. §252 include terms concerning network unbundling obligations that may (or may not) be imposed on Verizon by legal authorities other than 47 U.S.C. § 251 and 47 CFR Part 51?	Legal issue, only briefing required.	No. Verizon does not have any obligation to provide unbundled access to network elements in the absence of lawful unbundling rules adopted by *the FCC* under section 251 of the 1996 Act. Any attempt to impose obligations under state law is inconsistent with the statutory regime and preempted.	AT&T & CCG[2]: Yes. The parties' amendment should include terms concerning network unbundling obligations imposed by other law, such as state law.
2		Should there be an amendment to the change in law provisions in the parties' interconnection agreements?	Legal issue, only briefing required.	Yes. Verizon only has an obligation to provide access to network elements to the extent required by 47	AT&T & MCI: No. The same change of law provisions of the underlying agreement

[1] Verizon did not receive any responses to its previous petition and amendment from ALEC Inc., d/b/a Volaris Telecom Inc.; Ganoco Inc., d/b/a American Dial Tone; Local Line America, Inc.; Metropolitan Fiber Systems of Florida, Inc.; Saluda Networks Incorporated; Supra Telecommunications & Information Systems Inc.; Tallahassee Telephone Exchange Inc.; The Ultimate Connection L.C., d/b/a DayStar Communications; USA Telephone Inc., d/b/a Choice One Telecom. Verizon does not have a basis to predict those CLECs' positions on any issues relating to the proposed amendment. In addition, although it made a brief filing in this proceeding, LecStar Telecom Inc. did not state any substantive positions. Similarly, Level 3 Communications LLC did not provide any substantive counterproposals to Verizon's previous amendments, even though it claims to be "actively negotiating an interconnection agreement" with Verizon. Level 3 Response to Original Petition, dated April 8, 2004. Before Verizon's original petition for arbitration was dismissed, both LecStar and Level 3 stated that they did not anticipate being active in the arbitration. *Id.*; LecStar Response to Original Petition, dated March 8, 2004.

[2] References to "CCG" refer to the "Competitive Carrier Group," a coalition of CLECs that filed a collective response to Verizon's original Petition in this proceeding. There are only three carriers in this group that Verizon has joined as parties to this corrected Petition – NewSouth, The Ultimate Connection, and Xspedius.

Exhibit B

STATEMENT OF ISSUES

ISSUE	DRAFT AMENDMENT SECTION	DESCRIPTION	TYPE OF ISSUE	VERIZON POSITION	CLEC POSITION[1]
				U.S.C. § 251, 47 CFR Part 51, and the FCC's Interim Rules (to the extent they are effective). For network elements that have been eliminated from the federal list of UNEs, Verizon should be able to discontinue providing those UNEs after 90 days' notice.	should govern any change of law that eliminates Verizon's obligations to provide access to network elements, and the parties must negotiate terms whenever a UNE is eliminated.
3	3.1, 4.7.5, 4.7.10, 4.7.12, 4.7.14, 4.7.18, 4.7.19, 4.7.21	Does the Amendment accurately reflect the law with respect to unbundled access to local circuit switching, including mass market and enterprise switching (including Four-Line Carve-Out switching), and tandem switching?	Legal issue, only briefing required	Yes. Verizon has no legal obligation to provide unbundled access to local circuit switching, except that Verizon will comply with the transitional unbundling obligations the FCC's Interim Rules impose on mass-market switching, to the extent those Rules are effective.	AT&T: No. Notwithstanding the fact that the *TRO* eliminated enterprise switching and the *USTA II* mandate vacated the FCC's rules regarding mass-market switching, Verizon still has an obligation to continue to provide unbundled access to local circuit switching.
4	3.1, 4.7.2, 4.7.5, 4.7.8, 4.7.9,	Does the Amendment accurately reflect the law with respect to unbundled access to DS1 loops, unbundled DS3 loops, and unbundled dark fiber loops?	Legal issue, only briefing required.	Yes. Verizon has no legal obligation to provide unbundled access to DS1 loops, DS3 loops, except that Verizon will comply with the transitional	AT&T: No. Notwithstanding the fact that the *USTA II* mandate vacated the FCC's rules regarding DS1 loops, DS3 loops, and dark fiber loops,

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STATEMENT OF ISSUES

ISSUE	DRAFT AMENDMENT SECTION	DESCRIPTION	TYPE OF ISSUE	VERIZON POSITION	CLEC POSITION[1]
				unbundling obligations the FCC's Interim Rules impose on enterprise loops, to the extent those Rules are effective.	Verizon still has an obligation to continue to provide unbundled access to such loops. MCI & CCG: No. USTA II did not vacate the FCC's unbundling rules with respect to high capacity loops.
5	3.1, 4.7.3, 4.7.5, 4.7.6, 4.7.7	Does the Amendment accurately reflect the law with respect to unbundled access to dedicated transport, including dark fiber transport?	Legal issue, only briefing required.	Yes. Verizon has no legal obligation to provide unbundled access to dedicated transport, including dark fiber transport, but will comply with the transitional unbundling obligations the FCC's Interim Rules impose on dedicated transport, to the extent those Rules are effective.	AT&T: No. Notwithstanding the fact that the *USTA II* mandate vacated the FCC's rules regarding dedicated transport, including dark fiber transport, Verizon still has an obligation to continue to provide unbundled access to dedicated transport.
6	3.2	How should the amendment address continuation of access to items that are no longer subject to unbundling under	Legal issue, only briefing required.	If a CLEC does not negotiate a commercial alternative for access to a Discontinued Facility, or	CCG: After the amendment takes effect, the parties must undertake a lengthy process of

Exhibit B

STATEMENT OF ISSUES

ISSUE	DRAFT AMENDMENT SECTION	DESCRIPTION	TYPE OF ISSUE	VERIZON POSITION	CLEC POSITION[1]
		federal law?		request disconnection, then Verizon may reprice such Facilities at a rate equivalent to access, resale, or other analogous Arrangement.	negotiation and dispute resolution in order to transition to UNE replacement services.
7	3.3	Should the Amendment make clear that commercial agreements that may be negotiated for services or facilities to which Verizon is not required to provide access as UNEs under the Act are not part of the Amendment or subject to negotiation or arbitration pursuant to section 252?	Legal issue, only briefing required.	Yes. Verizon is not, and has not, agreed to negotiate terms and conditions of commercial agreements for replacement services for any of the Discontinued Facilities under the auspices of section 251 or 252 or as part of the negotiations over a *TRO* Amendment and the Amendment should specifically so state.	AT&T: No. The terms of any commercial agreements should be incorporated into section 252 agreements filed with the Commission. CCG: No. The terms governing non-251 substitutes for UNEs should be included in the parties' amendment.
8	4	Should the Commission approve Verizon's proposed definitions in the Amendment's Definitions section or include any other terms?	Legal issue, only briefing required.	Yes. Verizon's proposed definitions comport with applicable law.	AT&T: No. AT&T disagrees with several of Verizon's definitions, including Verizon's definition of dedicated transport. AT&T argues that the definition should be broadened to include transmission facilities between AT&T premises

Exhibit B

STATEMENT OF ISSUES

ISSUE	DRAFT AMENDMENT SECTION	DESCRIPTION	TYPE OF ISSUE	VERIZON POSITION	CLEC POSITION[1]
					where Verizon has located 'facilities." MCI: Among other things, MCI proposes to take out any reference to 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51 in the definitions section. CCG: Among other things, the CCG disputes Verizon's definitions of Line Sharing and Local Switching.
9		Are the *TRO*'s and *USTA II*'s changes in unbundling obligations subject to implementation without waiting for all appeals of the TRO to become final and unappealable?	Legal issue, only briefing required.	Yes. The *TRO* (to the extent not vacated by *USTA II*) and *USTA II* changes are binding federal law that must be implemented (although Verizon will comply with the FCC's Interim Rules affecting the UNEs at issues in *USTA II*, to the extent those Rules are effective).	AT&T: No. AT&T claims that USTA II is a legal nullity.

Exhibit C

CLEC NAME	CHANGE OF LAW	ALTERNATIVE DISPUTE RESOLUTION
ALEC Inc., d/b/a Volaris Telecom Inc.	§§ 35, 35.1, 35.2, 35.3, 43	§§ 18, 18.1-18.6
AT&T Communications of the Southern States Inc.	§ 3.3, Amendment No. 2, (a) (adding Attachment 2, §§ 3.6)	§ 15, Attachment 1
Ganoco Inc., d/b/a American Dial Tone	§ 3.3, Amendment 1 § 1.5, 2	§ 15, Attachment 1
Intermedia Communications, Inc.	§ 3.3	§ 15, Attachment 1
LecStar Telecom Inc.	§§ 35, 35.1, 35.2, 35.3, 43	§§ 18, 18.1-18.6
Level 3 Communications LLC	§ 3.3	§ 15, Attachment 1
Local Line America, Inc.	§ 3.3, Amendment No. 2, (a) (adding Attachment 2, §§ 3.6); Intrastate MFN Agreement, 1(B)	§ 15, Attachment 1
MCI WORLDCOM Communications, Inc.	§ 3.3	§ 15, Attachment 1
MCImetro Access Transmission Services, LLC	§ 3.3	§ 15, Attachment 1
Metropolitan Fiber Systems of Florida, Inc.	§ 3.3	§ 15, Attachment 1
NewSouth Communications Corp.	§ 3.3	§ 15, Attachment 1
Saluda Networks Incorporated	§ 3.3, Amendment No. 2, (a) (adding Attachment 2, §§ 3.6); Intrastate MFN Agreement, 1(B)	§ 15, Attachment 1
Supra Telecommunications & Information Systems Inc.	§ 3.3	§ 15, Attachment 1
Tallahassee Telephone Exchange Inc.	§ 3.3	§ 15, Attachment 1
TCG South Florida	§ 3.3, Amendment No. 1, (a) (adding Attachment 2, §§ 3.6)	§ 15, Attachment 1
The Ultimate Connection L.C., d/b/a DayStar Communications	§§ 35, 35.1, 35.2, 35.3, 43	§§ 18, 18.1-18.6
USA Telephone Inc., d/b/a Choice One Telecom	§ 3.3	§ 15, Attachment 1
Xspedius Management Co. Switched Services L.L.C. and Xspedius Management Co. of Jacksonville L.L.C., d/b/a Xspedius Communications	§ 3.3	§ 15, Attachment 1

ALEC Inc., d/b/a Volaris Telecom Inc., LecStar Telecom Inc., and The Ultimate Connection L.C., d/b/a DayStar Communications contain the following change of law and alternative dispute resolution language:

35. Changes in Legal Requirements.

35.1 **Verizon and [CLEC] further agree that the terms, rates and conditions of this Agreement were composed in** order to effectuate the legal requirements, including without limitation, the rates for services, UNEs or facilities, in effect at the time the Agreement was produced. Except as otherwise stated in this Agreement, the Parties agree to amend this Agreement to reflect any modifications to those requirements.

35.2 **If the Parties cannot agree whether, how or to what extent the changes in legal requirements affect certain** terms, rates or conditions of this Agreement, either Party may seek binding arbitration as provided herein or, may file an action for declaratory ruling in a court of competent jurisdiction.

35.3 **Regardless of when its finally determined how the changes in legal requirements affect the terms, rates or** conditions of this Agreement, the modification to the Agreement as a result of changes in legal requirements shall be effective as of the date the changes in legal requirements become generally effective.

43. Subsequent Law.

The rates, terms and conditions of this Agreement shall be subject to any and all Applicable Laws, orders, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority, including without limitation the FCC and the Commission. To the extent required by any such subsequently prescribed law, order, rule or regulation, except as otherwise stated in this Agreement, the Parties agree to modify, in writing, the affected rate(s), the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.

18. Dispute Resolution.

18.1 Alternative to Litigation.

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

18.2 Negotiations.

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

18.3 Arbitration.

If the negotiations described in Section 18.2 do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this Section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city, or in the capitol of the State if the Parties cannot agree. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this Section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered and enforced in any court having jurisdiction.

18.4 Expedited Arbitration Procedures.

If the issue to be resolved through the negotiations referenced in Section 18.2 directly and materially affects service to either Party's end-user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be fourteen (14) 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).

18.5 Costs.

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

18.6 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations (including making payments in accordance with Article III, Section 10 and Article IV, Section 4) in accordance with this Agreement.

AT&T Communications of the Southern States Inc., Ganoco Inc., d/b/a American Dial Tone, Intermedia Communications, Inc., Level 3 Communications LLC, MCI WORLDCOM Communications, Inc., MCImetro Access Transmission Services, LLC, Metropolitan Fiber Systems of Florida, Inc., NewSouth Communications Corp., Supra Telecommunications & Information Systems Inc., Tallahassee Telephone Exchange Inc., TCG South Florida, USA Telephone Inc., d/b/a Choice One Telecom, and Xspedius Management Co. Switched Services L.L.C. and Xspedius Management Co. of Jacksonville L.L.C., d/b/a Xspedius Communications contain the following change of law and alternative dispute resolution language:

3. Termination of Agreement; Transitional Support

3.3 GTE will not discontinue any unbundled Network Element, Ancillary Function or Combination thereof during the term of this Agreement without AT&T's written consent which consent shall not be unreasonably withheld, except (1) to the extent required by network changes or upgrades, in which event GTE will comply with the network disclosure requirements stated in the Act and the FCC's implementing regulations; or (2) if required by a final order of the Court, the FCC or the Commission as a result of remand or appeal of the FCC's order In the Matter of Implementation of Local Competition Provisions of the Telecommunications Act of 1996, Docket 96-98. In the event such a final order allows but does not require discontinuance, GTE shall make a proposal for AT&T's approval, and if the Parties are unable to agree, either Party may submit the matter to the Dispute resolution procedures described in Attachment 1. GTE will not discontinue any Local Service or Combination of Local Services without providing 45 days advance written notice to AT&T, provided however, that if such services are discontinued with less than 45 days notice to the regulatory authority, GTE will notify AT&T at the same time it determines to discontinue the service. If GTE grandfathers a Local Service or combination of Local Services, GTE shall grandfather the service for all AT&T resale customers who subscribe to the service as of the date of discontinuance.

15. **Alternative Dispute Resolution**

All Disputes arising under this Agreement or the breach hereof, except those arising pursuant to Attachment 6, Connectivity Billing, shall be resolved according to the procedures set forth in Attachment 1. Disputes involving matters subject to the Connectivity Billing provisions contained in Attachment 6, shall be resolved in accordance with the Billing Disputes section of Attachment 6. In no event shall the Parties permit the pendency of a Dispute to disrupt service to any customer of any Party contemplated by this Agreement except in the case of default and termination of this Agreement pursuant to Section 3.4. The foregoing notwithstanding, neither this Section 15 nor Attachment 1 shall be construed to prevent either Party from seeking and obtaining temporary equitable remedies, including temporary restraining orders.

ATTACHMENT 1
ALTERNATIVE DISPUTE RESOLUTION
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ALTERNATIVE DISPUTE RESOLUTION

1. Purpose

This Attachment 1 is intended to provide for the expeditious, economical, and equitable resolution of disputes between GTE and AT&T arising under this Agreement, and to do so in a manner that permits uninterrupted, high quality services to be furnished to each Party's customers.

2. Exclusive Remedy

2.1 Negotiation and arbitration under the procedures provided herein shall be the exclusive remedy for all disputes between GTE and AT&T arising out of this Agreement or its breach. GTE and AT&T agree not to resort to any court, agency, or private group with respect to such disputes except in accordance with this Attachment.

2.1.1 If, for any reason, certain claims or disputes are deemed to be nonarbitrable, the non-arbitrability of those claims or disputes shall in no way affect the arbitrability of any other claims or disputes.

2.1.2 If, for any reason, the FCC or any other federal or state regulatory agency exercises jurisdiction over and decides any dispute related to this Agreement or to any GTE Tariff and, as a result, a claim is adjudicated in both an agency proceeding and an arbitration proceeding under this Attachment 1, the following provisions shall apply:

2.1.2.1 To the extent required by law, the agency ruling shall be binding upon the parties for the limited purposes of regulation within the jurisdiction and authority of such agency.

2.1.2.2 The arbitration ruling rendered pursuant to this Attachment 1 shall be binding upon the parties for purposes of establishing their respective contractual rights and obligations under this Agreement, and for all other purposes not expressly precluded by such agency ruling.

2.1.3 Nothing in this Attachment 1 shall limit the right of either GTE or AT&T to obtain provisional remedies (including injunctive relief) from a court before, during or after the pendency of any arbitration proceeding brought pursuant to this Attachment 1. However, once a decision is reached by the Arbitrator, such decision shall supersede any provisional remedy.

3. Informal Resolution of Disputes

3.1 **Prior to initiating an arbitration** pursuant to the American Arbitration Association ("AAA") rules, as described below, the Parties to this Agreement shall submit any dispute between GTE and AT&T for resolution to an Inter-Company Review Board consisting of one representative from AT&T at the Director-or-above level and one representative from GTE at the Vice-President-or-above level (or at such lower level as each Party may designate). The dispute will be submitted by either Party giving written notice to the other Party, consistent with the notice requirements of this Agreement, that the Party intends to initiate the Informal Resolution of Disputes process. The notice shall define the dispute to be resolved. The Parties may use a mediator to help informally settle a dispute. The initial representatives of each Party shall be as follows:

AT&T

_____
_____
_____
Telephone: _____
Telecopier: _____

GTE

_____
_____
_____
Telephone: _____
Telecopier: _____

A representative shall be entitled to appoint a delegee to act in his or her place as a Party's representative on the Inter-Company Review Board for any specific dispute brought before the Board.

3.2 The Parties may enter into a settlement of any dispute at any time. The Settlement Agreement shall be in writing, and shall identify how the Arbitrator's or mediator's fee for the particular proceeding, if any, will be apportioned.

3.3 At no time, for any purposes, may a Party introduce into evidence or inform the Arbitrator appointed under Section 6 below of any statement or other action of a Party in connection with negotiations between the Parties pursuant to the Informal Resolution of Disputes provision of this Attachment 1.

3.4 By mutual agreement, the Parties may agree to submit a dispute to mediation prior to initiating arbitration.

4. Initiation of an Arbitration

If the Inter-Company Review Board is unable to resolve a non-service affecting dispute within 30 days (or such longer period as agreed to in writing by the Parties) of such submission, and the Parties have not otherwise entered into a settlement of their dispute, the Parties shall initiate an arbitration in accordance with the AAA rules. Any dispute over a matter which directly affects the ability of a Party to provide high quality services to its customers will be governed by the procedures described in Appendix 1 to this Attachment 1.

5. Governing Rules for Arbitration

The rules set forth below and the rules of Commercial Arbitrations of the AAA shall govern all arbitration proceedings initiated pursuant to this Attachment; however, such arbitration proceedings shall not be conducted under the auspices of the AAA unless the Parties mutually agree. Where any of the rules set forth herein conflict with the rules of the AAA, the rules set forth in this Attachment shall prevail.

6. Appointment and Removal of Arbitrator

6.1 Within forty-five (45) days following the Effective Date of this Agreement the Parties will appoint three arbitrators, each of whom will have experience in the field of telecommunications. Each such Arbitrator shall serve for the full term of this Agreement, unless removed pursuant to Section 6.3 of this Attachment. Each of the three Arbitrators will be appointed by mutual agreement of the Parties in writing within the aforementioned forty-five day period. Each Arbitrator so appointed shall receive an assignment designation number (1, 2 or 3), and the Arbitrators shall be assigned in that sequence as disputes arise that are subject to this Attachment. In the event that any of the three initial Arbitrators so appointed resigns or is removed pursuant to Section 6.3 of this Attachment, or becomes unable to discharge his or her duties, the Parties shall, by mutual written agreement, appoint a replacement Arbitrator within thirty (30) days after the date of such resignation, removal or disability. All matters pending before the departing Arbitrator shall be reassigned as provided in Section 6.4 of this Attachment; provided however that such matters shall not be assigned to the replacement Arbitrator. New matters will be assigned the replacement Arbitrator in accordance with the procedure set forth herein (above).

6.2 For each dispute properly submitted for arbitration under this Attachment, the Parties shall assign a sole Arbitrator from among the three Arbitrators appointed under Section 6.1 in accordance with the assignment sequence described therein. Each such assignment shall be made within ten (10) days of the expiration under Section 4 of this Attachment of the Inter- Company Review Board review period. Insofar as common issues arise concerning more than one Interconnection, Resale and Unbundling Agreement signed between an AT&T Affiliate and a GTE Affiliate, the Parties agree that such common issues will be combined and submitted to the same Arbitrator for resolution.

6.3 The Parties may, by mutual written agreement, remove an Arbitrator at any time, and shall provide prompt written notice of removal to such Arbitrator. Notwithstanding the foregoing, any Arbitrator may be removed at any time unilaterally by either Party as permitted in the rules of the AAA. Furthermore, upon (30) days' prior written notice to the Arbitrator and to the other Party, a Party may remove an Arbitrator with respect to future disputes which have not been submitted to arbitration in accordance with the requirements of Section 4 of this Attachment 1, as of the date of such notice.

6.4 In the event that an Arbitrator resigns or is removed pursuant to Section 6.3 of this Attachment, or becomes unable to discharge his or her duties, or is otherwise unavailable to perform the duties of Arbitrator, any matters then pending before that departing or disabled Arbitrator will be assigned to the incumbent Arbitrator with the next assignment designation number (in ascending order). Such assignment will be made effective by written notice of the Parties to be provided within ten days following the resignation, removal or unavailability that necessitates such reassignment.

6.5 In the event that the Parties do not appoint an Arbitrator or replacement Arbitrator within the time periods prescribed in Section 6.1 of this Attachment 1, either Party may apply to AAA for appointment of such Arbitrator. Prior to filing an application with the AAA, the Party filing such application shall provide ten (10) days' prior written notice to the other Party to this Agreement.

7. Duties and Powers of the Arbitrator

7.1 The Arbitrator shall receive complaints and other permitted pleadings, oversee discovery, administer oaths and subpoena witnesses pursuant to the United States Arbitration Act, hold hearings, issue decisions, and maintain a record of proceedings. The Arbitrator shall have the power to award any remedy or relief that a court with jurisdiction over this Agreement could order or grant, including, without limitation, the awarding of damages, pre-judgment interest, specific performance of any obligation created under the Agreement, issuance of an injunction, or imposition of sanctions for abuse or frustration of the arbitration process, except that the Arbitrator may not award punitive damages or any remedy rendered unavailable to the Parties pursuant to Section 10.3 of the General Terms and Conditions of this Agreement.

7.2 The Arbitrator shall not have the authority to limit, expand, or otherwise modify the terms of this Agreement.

8. Discovery

GTE and AT&T shall attempt, in good faith, to agree on a plan for document discovery. Should they fail to agree, either GTE or AT&T may request a joint meeting or conference call with the Arbitrator. The Arbitrator shall resolve any disputes between GTE and AT&T, and such resolution with respect to the scope, manner, and timing of discovery shall be final and binding.

9. Privileges

Although conformity to certain legal rules of evidence may not be necessary in connection with arbitrations initiated pursuant to this Attachment, the Arbitrator shall, in all cases, apply the attorney-client privilege and the work product immunity doctrines.

10. Location of Hearing

Unless both Parties agree otherwise, any hearings shall take place in Dallas, Texas.

11. Decision

11.1 Except as provided below, the Arbitrator's decision and award shall be final and binding, and shall be in writing and shall set forth the Arbitrator's reasons therefor for decision unless the Parties mutually agree to waive the requirement of a written opinion. Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. Either Party may apply to the United States District Court for the district in which the hearing occurred for an order enforcing the decision.

11.2 A decision of the Arbitrator shall not be final in the following situations: a) a Party appeals the decision to the Commission or FCC, and the matter is within the jurisdiction of the Commission or FCC, provided that the agency agrees to hear the matter; b) the dispute concerns the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party, and the decision appealed by a Party to a federal or state court with jurisdiction over the dispute.

11.3 Each Party agrees that any permitted appeal must be commenced within thirty (30) days after the Arbitrator's decision in the arbitration proceedings is issued. In the event of an appeal, a Party must comply with the results of the arbitration process during the appeal process.

12. Fees

Unless otherwise mutually agreed in writing, each Arbitrator's fees and expenses shall be shared equally between the Parties, provided, however, that in the arbitration of any particular dispute either Party may request that all fees and expenses directly related to that arbitration matter be imposed on the other Party, and the Arbitrator shall have the power to grant such relief, in whole or in part.

13. Confidentiality

13.1 GTE, AT&T, and the Arbitrator will treat the arbitration proceeding, including the hearings and conferences, discovery, or other related events, as confidential, except as necessary in connection with a

judicial challenge to, or enforcement of, an award, or unless otherwise required by an order or lawful process of a court or governmental body.

13.2 In order to maintain the privacy of all arbitration conferences and hearings, the Arbitrator shall have the power to require the exclusion of any person, other than a Party, counsel thereto, or other essential persons.

13.3 To the extent that any information or materials disclosed in the course of an arbitration proceeding contains proprietary or confidential Information of either Party, it shall be safeguarded in accordance with Section 17 of this Agreement. However, nothing in Section 17 of this Agreement shall be construed to prevent either Party from disclosing the other Party's Information to the Arbitrator in connection with or in anticipation of an arbitration proceeding. In addition, the Arbitrator may issue orders to 6/5/97 Attachment 1 Page 7 FL-AT1.DOC protect the confidentiality of proprietary information, trade secrets, or other sensitive information.

14. Service of Process

14.1 Service may be made by submitting one copy of all pleadings and attachments and any other documents requiring service to each Party and one copy to the Arbitrator. Service shall be deemed made (i) upon receipt if delivered by hand; (ii) after three (3) business days if sent by first class certified U.S. mail; (iii) the next business day if sent by overnight courier service; (iv) upon confirmed receipt if transmitted by facsimile. If service is by facsimile, a copy shall be sent the same day by hand delivery, first class U.S. mail, or overnight courier service.

14.2 Service by AT&T to GTE and by GTE to AT&T at the address designated for delivery of notices in this Agreement shall be deemed to be service to GTE or AT&T, respectively. The initial address for delivery of notices is specified in Subsection 3 above.

In addition to the § 3.3 change of law language and the § 15 and Attachment 1 alternative dispute resolution language above, AT&T Communications of the Southern States, TCG South Florida, Local Line America, Inc., and Saluda Networks Incorporated include the following amendment:

a) The following paragraphs shall be added to Attachment 2 (Service Description Unbundled Network Elements) of the Agreement:

3.6 Line Splitting

AT&T 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 AT&T and another CLEC shall be accomplished by prior negotiated arrangement between those CLECs. To achieve a Line Splitting capability, AT&T may utilize supporting Verizon OSS to order and combine in a Line Splitting configuration an unbundled xDSL Compatible Loop terminated to a collocated splitter and Digital Subscriber Line Access Multiplexer ("DSLAM") equipment provided by its data partner (or itself), unbundled switching combined with shared transport, collocator-to-collocator connections, and available cross-connects, under the terms and conditions set forth in their respective interconnection agreement(s). AT&T shall provide Verizon with the information required by FCC Rules regarding the type of xDSL technology that it deploys on each loop facility employed in Line Splitting. Unless the Parties agree otherwise, this information will be conveyed by the Network Channel/Network Channel Interface Code (NC/NCI) or equivalent. AT&T or its data partner shall provide any splitters used in a Line Splitting configuration. To the extent AT&T seeks to migrate an existing UNE-P configurations to a Line Splitting configuration using the same Network Elements utilized in the pre-existing UNE-P arrangement, it 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. Notwithstanding any provision of this Agreement or otherwise, the foregoing Verizon obligations (and CLEC rights) in connection with Line Splitting shall apply only to the extent Verizon is required to undertake such obligations and the CLECs have such rights, in each case under Applicable Law. Without limiting Verizon's rights pursuant to Applicable Law or any other section of the Agreement to terminate its provision of Line Splitting (or an applicable network element) and, notwithstanding any other provision of this Agreement or otherwise, if Verizon provides Line Splitting to AT&T, 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 Line Splitting arrangements (or an applicable network element), Verizon may terminate its provision of such Line Splitting arrangements (or applicable network element) to AT&T on prior written notice thereof provided after the relevant determination becomes effective (provided, however, that the number of days' notice shall be the period, if any, prescribed by the Commission, the FCC, a court or other governmental body of appropriate jurisdiction in its determination and, in the absence of a prescribed period, shall be thirty (30) days).

In addition to the § 3.3 change of law language, the § 15 and Attachment 1 alternative dispute resolution language, and the § 3.6 line splitting language above, Local Line America, Inc. and Saluda Networks Incorporated include the following language from the Intrastate MFN Agreement, 1(B):

For avoidance of doubt, adoption of the Terms [of the AT&T Communications of the Southern States Inc. Agreement] does not include adoption of any provision imposing an unbundling obligation on Verizon that no longer applies under the Report and Order and Order on Remand (FCC 03-36) released by the Federal Communications Commission ("FCC") on August 21, 2003 in CC Docket Nos. 01-338, 96-98, 98-147 ("Triennial Review Order"), which became effective on October 2, 2003. In light of the effectiveness of the Triennial Review Order, any reasonable period of time for adopting such provisions has expired under the FCC's rules implementing section 252(i) of the Act (*see, e.g.*, 47 CFR Section 51.809(c)).

In addition to the § 3.3 change of law language and the § 15 and Attachment 1 alternative dispute resolution language above, Ganoco Inc., d/b/a American Dial Tone includes the following amendment:

1.5 Without limiting Verizon's rights pursuant to Applicable Law or any other section of the Agreement, this Combinations Attachment and the Pricing Appendix to the Combinations Attachment to terminate its provision of a Combination, if Verizon provides a Combination to Ganoco, 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 Combination, Verizon may terminate its provision of such Combination to Ganoco. If Verizon terminates its provision of a Combination to Ganoco pursuant to this Section 1.5 and Ganoco elects to purchase other services offered by Verizon in place of such Combination, then: (a) Verizon shall reasonably cooperate with Ganoco to coordinate the termination of such Combination and the installation of such services to minimize the interruption of service to Customers of Ganoco; and, (b) Ganoco shall pay all applicable charges for such services, including, but not limited to, all applicable installation charges.

2. Combinations Provisions

Subject to the conditions set forth in Section 1, Verizon shall be obligated to provide 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 Ganoco, Verizon shall provide such Combination in accordance with, and subject to, requirements established by Verizon that are consistent with Applicable Law (such requirements, the "Combo Requirements"). Verizon shall make the Combo Requirements publicly available in an electronic form.