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April 26, 2005

Ms. Blanca S. Bayó, 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. Bayó:

The parties in the above referenced docket have reached agreement on the disposition of certain issues in the proceeding as well as a means to minimize the amount of time spent at the hearing to be held in this proceeding. Accordingly, the parties agree as follows:

1. AT&T Communications of the Southern States Inc. and TCG South Florida (together, "AT&T"); Intermedia Communications, Inc. and, MCImetro Access Transmission Services, LLC (on its behalf and as successor in interest to Metropolitan Fiber Systems of Florida, Inc. and MCI WORLDCOM Communications, Inc.) ("Intermedia and MCImetro," together, "MCI"); Sprint Communications Company Limited Partnership ("Sprint"); Florida Digital Network Inc. d/b/a FDN Communications ("FDN"); DIECA Communications, Inc. d/b/a Covad Communications Company, IDT America Corp., KMC Data LLC, KMC Telecom III LLC, KMC Telecom V, Inc. NewSouth Communications Corp., The Ultimate Connection, Inc. d/b/a DayStar Communication, Xspedius Management Co. Switched Services, LLC, Xspedius Management of Jacksonville, LLC and XO Communications Services, Inc. (formerly XO Florida, Inc. and Allegiance Telecom of Florida, Inc.) (together, the "Competitive Carrier Group" or "CCG") and Verizon Florida Inc. ("Verizon") (individually, a "Party" and collectively, the "Parties") agree that Verizon will withdraw from this arbitration its request for the

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Commission to adopt the new rates proposed in Verizon's Pricing Attachment to its Amendment 2. This means that Issue 26 ("Should the Commission adopt the new rates specified in Verizon's Pricing Attachment on an interim basis?") will be deleted from the list of issues to be resolved in this proceeding. Verizon reserves its right to initiate a separate proceeding asking the Commission to set rates for any or all of the items in the Pricing Attachment. Therefore, Verizon maintains its position that the Amendment should not foreclose Verizon from advocating these new rates in such a future proceeding. This stipulation does not affect Verizon's right to continue to apply any rates the Commission has already established, including those adopted in Docket No. 990649B-TP, Order No. PSC-02-1574-FOF-TP, or where such order has not established a particular rate, the rates set forth in particular interconnection agreements. Verizon agrees that, upon the effective date of an amendment, Verizon will provide the services, elements, and arrangements covered by Verizon's proposed Pricing Attachment that are not already covered by rates the Commission has established or rates set forth in particular interconnection agreements (including routine network modifications, commingling, and conversions), to the extent required by section 251(c)(3) of the Telecommunications Act of 1996 and 47 C.F.R. Part 51 and the Commission's determinations in this arbitration, even though this arbitration will not establish itemized rates for the new services, elements, or arrangements. AT&T, MCI, FDN, Sprint, and CCG maintain their right to assert in any subsequent proceeding that Verizon is not entitled to impose the proposed, new charges in Verizon's Pricing Attachment, that the charges proposed are not reasonable, and/or that an interconnection agreement amendment is not required to implement any obligation Verizon may have to provide the service, elements and arrangements covered by Verizon's proposed Pricing Attachment (including network modifications, commingling and conversions). Verizon will not ask the Commission, in this arbitration, to order a true-up to any new rates the Commission may establish in the future for the new items covered in the Pricing Attachment, but Verizon does not waive its right to advocate such a true-up in any future proceeding to set rates for these items.

2. AT&T, MCI, FDN, and CCG agree that they will withdraw from this arbitration their request for this Commission to adopt in their arbitrated amendments rates, terms, and conditions that do not arise from federal unbundling regulations pursuant to 47 U.S.C. sections 251 and 252, including issues asserted to arise under state law or the Bell Atlantic/GTE Merger Conditions. This means that Issue 1 ("Should the Amendment include rates, terms, and conditions that do not arise from federal unbundling regulations pursuant to 47 U.S.C. sections 251 and 252, including issues asserted to arise under state law or the Bell Atlantic/GTE Merger Conditions?") will be deleted from the list of issues to be resolved in this proceeding. AT&T, MCI, FDN, Sprint, and CCG agree that they will defer any arguments they might have that Verizon has unbundling obligations, independent of sections 251 and 252, including under state law or the Bell Atlantic/GTE merger conditions, to a proceeding that may be initiated outside of this arbitration.

3. The Parties agree to stipulate all of the pre-filed testimony, exhibits, and discovery responses described in the Staff's Exhibit List into the record, without cross-examination, and also agree that the Parties' counsel will make opening statements in accordance with the criteria established by the Prehearing Officer at the Prehearing Conference on April 18, 2005.

4. No Party waives, by this Stipulation, any rights to arbitrate and/or litigate the issues and positions referenced herein, in any other proceeding, before the FCC, any state or local regulatory authority, any court having proper jurisdiction over the subject matter, or otherwise. Further, the parties agree that this Stipulation is entered only for purposes of Docket No. 040156-TP before the Florida Public Service Commission, on the basis of circumstances unique to that proceeding. Therefore, the Parties to this Stipulation may not disclose or reference it as precedent or otherwise, in a proceeding before any body of competent jurisdiction, other than the Florida Public Service Commission, for purposes related to arbitration of Verizon's unbundling rights and obligations.

Respectfully submitted,

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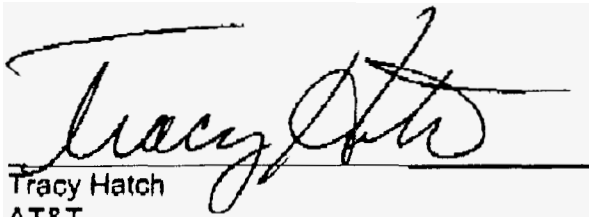
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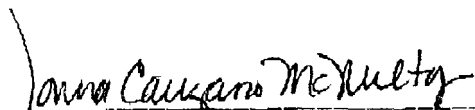
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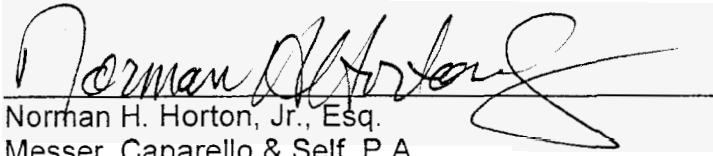
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A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", is written over a horizontal line. The signature is fluid and cursive, with a large, sweeping flourish at the end.

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