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July 16, 1996

Via Federal Express

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

ORIGINAL
FILE COPY

Re: *Metropolitan Fiber Systems of Florida, Inc.*
MFS Communications Company, Inc. Petition for Arbitration Pursuant to 47 USC
Section 252(b) of Interconnection Rates, Terms, and Conditions with GTE Florida
Incorporated

960837-TP

Dear Mrs. Bayo:

Enclosed for filing please find an original and 15 copies of the above Petition and related exhibits regarding GTE Florida Incorporated, along with the pre-filed Direct Testimony of Timothy T. Devine and exhibits. Please date stamp the extra copies of the Petition, and return the same in the enclosed self-addressed envelope.

Also enclosed is a computer disk formatted in WordPerfect 6.1 for Windows containing the Petition.

If there are any questions concerning this matter, please contact me.

Sincerely,

Lawrence R. Freedman

ACK _____
AFA _____
APP _____
CAF _____
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CTR _____
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LEG 3 _____
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cc (w/o encl.): Andrew D. Lipman, Esq.
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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**ORIGINAL
FILE COPY**

In the matter of)
)
MFS COMMUNICATIONS COMPANY,)
INC.)
)
Petition for Arbitration Pursuant to)
47 U.S.C. § 252(b) of Interconnection Rates,)
Terms, and Conditions with)
)
GTE FLORIDA INCORPORATED)
)

Docket No. 960837-TP

**TESTIMONY OF
TIMOTHY T. DEVINE
ON BEHALF OF
MFS COMMUNICATIONS COMPANY, INC.**

July 16, 1996

DOCUMENT NUMBER-DATE

07478 JUL 17 96

FPSC-RECORDS/REPORTING

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**DIRECT TESTIMONY OF
TIMOTHY T. DEVINE
ON BEHALF OF
MFS COMMUNICATIONS COMPANY, INC.**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Timothy T. Devine. My business address is MFS Communications
3 Company, Inc. ("MFS"), 6 Concourse Parkway, Atlanta, Georgia 30328.

4 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT ARE YOUR**
5 **RESPONSIBILITIES?**

6 A. I am the Senior Director of External and Regulatory Affairs for the Southern
7 Region. I am responsible for the regulatory oversight of commission dockets and
8 other regulatory matters and serve as MFS representative to various members of
9 the industry. I am also responsible for coordinating co-carrier discussions and
10 negotiations with local exchange carriers GTE in Florida and Texas, Sprint,
11 BellSouth and Southwestern Bell within the Southern Region.

12 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
13 **PROFESSIONAL EXPERIENCE.**

14 A. I have a B.S. in Political Science from Arizona State University and an M.A. in
15 Telecommunications Policy from George Washington University. I began work
16 in the telecommunications industry in April 1982 as a sales representative for
17 packet switching services for Graphnet, Inc., one of the first value-added
18 common carriers in the United States. From 1983 until 1987, I was employed at

1 Sprint Communications Co., in sales, as a tariff analyst, as a product manager,
2 and as Manager of Product and Market Analysis. During 1988, I worked at
3 Contel Corporation, a local exchange carrier, in its telephone operations group,
4 as Manager, Network Marketing. I have been working for MFS Communications
5 Company and its affiliates since January 1989. During this time period, I have
6 worked in product marketing and development, corporate planning, regulatory
7 support, and regulatory affairs.

8 **Q. PLEASE DESCRIBE THE OPERATIONS OF MFS COMMUNICATIONS**
9 **COMPANY, INC. AND ITS SUBSIDIARIES.**

10 **A.** MFS is a diversified telecommunications holding company with operations
11 throughout the country, as well as in Europe. MFS Telecom, Inc., an MFS
12 subsidiary, through its operating affiliates, is the largest competitive access
13 provider in the United States. MFS Telecom, Inc.'s subsidiaries provide non-
14 switched, dedicated private line and special access services.

15 MFS Intelenet, Inc. ("MFSI"), an MFS subsidiary, through its operating
16 subsidiaries, collectively are authorized to provide switched interexchange
17 telecommunications services in 48 states and have applications to offer such
18 service pending in the remaining states. Where so authorized, MFSI's operating
19 subsidiaries offer end users a single source for local and long distance

1 telecommunications services with quality and pricing levels comparable to those
2 achieved by larger communications users. Apart from Florida, MFS subsidiaries
3 have been authorized to provide competitive local exchange service in twelve
4 states. Since July 1993, MFS Intelenet of New York, Inc. has offered local
5 exchange services in competition with New York Telephone Company. MFS
6 Intelenet of Maryland, Inc. was authorized to provide local exchange services in
7 competition with Bell Atlantic-Maryland, Inc. in April 1994 and is offering
8 competitive local exchange services. On June 22, 1994, MFS Intelenet of
9 Washington, Inc. was authorized to provide local exchange services in
10 competition with US West Communications, Inc. On July 20, 1994, MFS
11 Intelenet of Illinois, Inc. was certificated to provide local exchange services in
12 competition with Illinois Bell Telephone Company and Central Telephone
13 Company of Illinois and is providing such services. MFS Intelenet of Ohio was
14 certificated to provide competitive local exchange service in competition with
15 Ohio Bell on August 3, 1995. MFS Intelenet of Michigan, on May 9, 1995, was
16 certificated to provide competitive local exchange service in competition with
17 Ameritech-Michigan. MFS Intelenet of Connecticut was certificated to provide
18 local exchange service in competition with Southern New England Telephone
19 Company on June 28, 1995. MFS Intelenet of Texas, Inc. was authorized to

1 resell local exchange service in Houston and Dallas in competition with
2 Southwestern Bell Telephone Company by Order signed on October 25, 1995.
3 Subsequently, Metropolitan Fiber Systems of Dallas and Metropolitan Fiber
4 Systems of Houston were certified to provide resale and facilities-based local
5 exchange service. MFS Intelenet of Georgia, Inc. was authorized to provide
6 competitive local exchange service in Georgia on October 27, 1995. MFS
7 Intelenet of Pennsylvania, Inc. was authorized to provide local exchange service
8 in Pennsylvania by Order entered October 4, 1995. MFS Intelenet of Oregon,
9 Inc. was authorized to provide local exchange service in Oregon on January 12,
10 1996. MFS Intelenet of Massachusetts was certificated on March 9, 1994 to
11 operate as a reseller of both interexchange and local exchange services in the
12 Boston Metropolitan Area in competition with New England Telephone and is
13 providing such services. MFS Intelenet of New Jersey was certificated in June
14 1996 to provide competitive local exchange services in that state.

15 Metropolitan Fiber Systems of Florida, Inc. ("MFS-FL") was granted
16 authority by this Commission to provide switched local exchange service
17 effective January 1, 1996.
18

1 **INTRODUCTION AND SUMMARY OF TESTIMONY**

2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

3 A. My testimony supports MFS' petition for arbitration of rates, terms and
4 conditions for interconnection and related arrangements filed with the Florida
5 Public Service Commission ("Commission") pursuant to Section 252(b) of the
6 Telecommunications Act of 1996, Pub.L.No. 104-104 § 101(a), 110 Stat. 70,
7 *codified at 47 U.S.C. § 153 et seq.* ("the 1996 Act").

8 Since July 1995, GTE Florida Incorporated ("GTE") and MFS have been
9 negotiating to reach an interconnection agreement. Those negotiations were
10 initiated pursuant to Section 364.162 of the Florida Act ("the Florida Act"). As
11 a result of a failure to reach agreement under the Florida Act, MFS-FL filed a
12 petition with this Commission in Docket Nos. 950984 and 950985. In an effort
13 to settle its dispute, GTE and MFS-FL executed a partial agreement on some of
14 the less controversial issues pursuant to Florida law. On February 8, 1996, GTE
15 received a written request from MFS for interconnection under the 1996 Act.
16 Since that time, MFS has negotiated in good faith with GTE. Nevertheless, the
17 parties have been unable to reach a binding agreement. On July 3, 1996, GTE
18 received MFS' final offer prior to arbitration.

1 While GTE has executed a partial agreement, it has still not entered into
2 an agreement covering the remaining terms and conditions of interconnection and
3 unbundling under the 1996 Act. The Commission has issued orders regarding
4 these terms. *Resolution of petition(s) to establish nondiscriminatory rates, terms*
5 *and conditions for resale involving local exchange companies and alternative*
6 *local exchange companies pursuant to Section 364.161, Florida Statutes, Docket*
7 *No. 950984-TP, Order No. PSC-96-0811-FOF-TP, Order Establishing*
8 *Provisions for the Resale of Services Provided by GTE Florida Incorporated,*
9 *United Telephone Company of Florida and Central Telephone Company of*
10 *Florida* (issued June 24, 1996) (recon. pending) ("Unbundling Order");
11 *Resolution of petition(s) to establish nondiscriminatory rates, terms, and*
12 *conditions for interconnection involving local exchange companies and*
13 *alternative local exchange companies pursuant to Section 364.162 Florida*
14 *Statutes, Docket No. 950985-TP, Order No. PSC-96-0668-FOF-TP, Final Order*
15 *Establishing Nondiscriminatory Rates, Terms and Conditions for Local*
16 *Interconnection* (issued May 20, 1996) (recon. pending) ("Interconnection
17 Order"). To a very large extent, the Florida statute and the 1996 Act are
18 consistent in approach. My testimony presents MFS' position on the
19 interconnection and unbundling issues.

1 Exhibit 4 appended to my testimony is "Partial Florida Co-Carrier
2 Agreement" ("Partial Interconnection Agreement") which GTE and MFS have
3 already executed and which the Commission has already approved. MFS'
4 petition is accompanied by a Comprehensive Interconnection Agreement which
5 contains all the terms and conditions MFS desires for interconnection, inclusive
6 of the already executed partial agreement, and most of what the Commission
7 adopted in its Interconnection and Unbundling orders.

8 **Q. PLEASE DESCRIBE THE REQUEST THAT MFS IS MAKING TO THE**
9 **FLORIDA COMMISSION.**

10 A. Under the arbitration provisions of §252(b) of the 1996 Act, a party "may petition
11 a State commission to arbitrate any open issues" and the petitioner has a duty to
12 present all relevant documentation concerning the unresolved issues, the position
13 of each of the parties with respect to the unresolved issues, and any other issue
14 discussed and resolved by the parties.

15 GTE has failed to execute a comprehensive interconnection agreement
16 with MFS pursuant to its request under the 1996 Act. MFS petitions under the
17 1996 Act for interconnection subject to the terms and conditions to which GTE
18 is already bound under the Florida Interconnection and Unbundling Orders, the
19 1996 Act itself, Sections 364.161 and 364.162 of the Florida Statutes, and the

1 Partial Interconnection Agreement. Indeed, in the Interconnection and
2 Unbundling Orders this Commission approved the Partial Agreement and now
3 GTE is under a Commission order to abide by it.

4 MFS has a switch and a network that it could use to provide local service
5 rapidly but for GTE's unwillingness to implement and execute an appropriate
6 agreement so that MFS can interconnect to GTE's network and serve the public.
7 Throughout my testimony, I will attempt to cite to the appropriate portions of the
8 Commission's orders which already compel GTE to interconnect under the terms
9 and conditions sought here. I will also cite to the Partial Interconnection
10 Agreement.

11 While GTE sought reconsideration of the Commission's Interconnection
12 Order, its asserted bases of reconsideration are quite narrow. Primarily, GTE
13 objected to a bill and keep method of mutual traffic exchange and the \$0.00075
14 rate for intermediary handling of traffic. As such, MFS-FL is mystified as to
15 how GTE can refuse to agree — at the very least — with respect to those
16 interconnection terms and conditions contained within the Commission's Orders
17 on which it does not seek reconsideration.

18 While GTE and MFS continue to negotiate, the 1996 Act compels MFS
19 to file its petition within 160 days of its February 8, 1996 interconnection request

1 to preserve its right to arbitration. MFS seeks arbitration to compel GTE to
2 implement all of the interconnection and unbundling terms to which it is already
3 obligated to provide.

4 **Q. WHAT ISSUES ARE NOT SPECIFICALLY COVERED BY THE**
5 **PARTIAL AGREEMENT OR AN ORDER OF THIS COMMISSION OR**
6 **THE FCC?**

7 A. MFS and GTE specifically do not agree on the financial terms of interconnection,
8 prices for unbundled loops, and interim number portability arrangements. I will
9 discuss each of these issues. While all of these issues are addressed by this
10 Commission's orders and a recent FCC order on number portability cost
11 recovery, MFS believes that new evidence and experience supports MFS'
12 proposals. In addition, the Interconnection and Unbundling proceedings for the
13 most part pre-date passage of the Telecommunications Act of 1996. The
14 standards of that Act apply to the financial arrangements I mentioned.

1 **Q. HAS MFS REACHED ANY SECTION 252 AGREEMENTS WITH**
2 **CARRIERS?**

3 A. Yes, with Ameritech and NYNEX. These agreements are appended to my
4 testimony as Exhibits 2 and 3. MFS also has a partial co-carrier agreement with
5 GTE of Florida and GTE of California, appended to my testimony as Exhibits 4
6 and 6. MFS also has an extensive co-carrier agreement with Pacific Bell for
7 California, appended hereto as Exhibit 7.

8 **Q. AS A THRESHOLD MATTER, WHAT IS "INTERCONNECTION"?**

9 A. We use the term "interconnection" to refer to the physical arrangements
10 necessary to connect two or more carriers providing local exchange service in the
11 same area. In that case, competing networks must be able to exchange traffic
12 (including the exchange of signaling and billing information, and access to other
13 service platforms that support local exchange service), because of the overriding
14 public interest in preserving universal connectivity. In short, every telephone
15 user in Florida must be able to call (and receive calls from) every other user,
16 regardless of which carrier provides each user with local exchange service.

1 Q. WHAT IS MEANT BY THE TERM "CO-CARRIER
2 ARRANGEMENTS"?

3 A. As I testified in Docket 950985, "co-carrier" arrangements refer to a variety of
4 arrangements that will have to be established to allow MFS and GTE to deal with
5 each other on a reciprocal, non-discriminatory, and equitable basis. The term
6 "co-carrier" signifies both that the two carriers are providing local exchange
7 service within the same territory, and that the relationship between them is
8 intended to be equal and reciprocal—that is, neither carrier would be treated as
9 subordinate or inferior. The arrangements needed to implement this co-carrier
10 relationship will encompass, among other things, physical connections between
11 networks; signaling and routing arrangements for the exchange of traffic between
12 networks; and arrangements for joint access to essential service platforms, such
13 as operator and directory assistance services, that must serve all telephone users
14 within a geographic area.

15 MFS-FL believes, as the Commission determined, that customers of all
16 carriers must be assured that they can call each other without the caller having to
17 worry about which carrier serves the other party. To achieve this, not only must
18 carriers physically connect their networks, but they must terminate calls for each
19 other on a mutual, reciprocal and equal basis. Traffic exchange arrangements

1 should be seamless and transparent from the viewpoint of the caller. There
2 should be no difference in how a call is dialed, how long it takes to be completed,
3 or how it is billed based upon the identity of the carrier serving the dialed
4 number. In addition, customers should have access to essential ancillary
5 functions of the network (such as directory listings, directory assistance, inward
6 operator assistance, and CLASS features, to name a few) without regard to which
7 carrier provides their dial tone or originates their call.

8 The need and standards for co-carrier arrangements are fully reflected in
9 the 1996 Act which imposes specific obligations on all local carriers and even
10 more specific and complete obligations on an incumbent carrier, such as GTE.
11 1996 Act, §§ 251, 252. To a large extent this Commission has fully reflected key
12 aspects of such requirements in its earlier decisions pursuant to Sections 364.161
13 and 364.162, Florida Statutes.

14 **Q. HOW IS YOUR TESTIMONY IN SUPPORT OF YOUR PETITION**
15 **DIFFERENT FROM PREVIOUS TESTIMONY BEFORE THIS**
16 **COMMISSION?**

17 A. My testimony isn't significantly different. In the testimony I have attempted to
18 identify issues which this Commission has previously addressed which are
19 consistent with the 1996 Act, issues not addressed which are now specifically

1 addressed by the 1996 Act, and issues which must be addressed anew in light of
2 the 1996 Act.

3 **I. UNRESOLVED ISSUES**

4 **A. TRAFFIC EXCHANGE AND RECIPROCAL COMPENSATION**

5 **Q. HAVE GTE AND MFS ALREADY AGREED TO MFS' PHYSICAL**
6 **INTERCONNECTION REQUEST?**

7 a. Yes. In the Partial Agreement, §§ III and VI, GTE and MFS agreed to each
8 other's designated network interconnection point. This means that MFS and
9 GTE interconnect mutually and reciprocally at one point, rather than at end
10 offices and tandems. We believe the only open issue here is the local call
11 termination rate from these interconnection points.

12 **Q. WHAT TRAFFIC EXCHANGE ARRANGEMENTS MUST BE**
13 **ESTABLISHED FOR THE EXCHANGE OF LOCAL TRAFFIC?**

14 A. To effectuate the exchange of traffic, MFS-FL proposes that interconnection be
15 accomplished through interconnection points, with each carrier responsible for
16 providing trunking to the interconnection points for the hand off of combined
17 local and toll traffic and each carrier responsible for completing calls to all end
18 users on their network. The Partial Agreement addresses this at 9-10, 13-15. In
19 order to establish interconnection points, carriers would pass both local and toll

1 traffic over a single trunk group, utilizing a percent local utilization ("PLU")
2 factor (similar to the currently utilized percent interexchange utilization ("PIU")
3 factor) to provide the proper jurisdictional call types, and subject to audit. See
4 GTE of California Agreement at 15.

5 **Q. IS MFS' PROPOSED ARCHITECTURE BECOMING STANDARD**
6 **PRACTICE IN THE INDUSTRY?**

7 A. Yes. Ameritech, NYNEX and Pacific Bell have all adopted this kind of
8 architecture. More importantly, this Commission adopted it in the
9 Interconnection Order at 40-41.

10 **Q. HOW DOES MFS-FL'S INTERCONNECTION PROPOSAL MAXIMIZE**
11 **THE EFFICIENCY OF THE NETWORK?**

12 A. MFS-FL's proposal permits the interconnecting parties—who understand their
13 networks best and have the greatest incentive to achieve efficiencies—to
14 determine where interconnection should take place. At the same time, minimum
15 interconnection requirements are established to ensure that interconnection will
16 take place between all carriers. MFS-FL opposes any interconnection plan that
17 mandates too specifically where interconnection should take place. If carriers are
18 not given flexibility as to where they can interconnect, inefficiencies will result.

1 MFS-FL would therefore oppose any proposal that does not permit carriers to
2 maximize the efficiency of their networks.

3 **Q. WHAT DOES MFS PROPOSE WITH RESPECT TO TRUNKING,**
4 **SIGNALING, AND OTHER IMPORTANT INTERCONNECTION**
5 **ARRANGEMENTS?**

6 A. MFS' proposal is set out in § 5.0 of the Comprehensive Interconnection
7 Agreement. GTE should exchange traffic between its network and the networks
8 of competing carriers using reasonably efficient routing, trunking, and signaling
9 arrangements. GTE agreed to these arrangements in the Partial Agreement at 12-
10 13.

11 **Q. HOW SHOULD MFS-FL COMPENSATE GTE FOR TRANSITING**
12 **TRAFFIC?**

13 A. MFS-FL should only be required to pay for the GTE intermediary function of
14 transiting traffic in the limited circumstances in which two ALECs that are not
15 cross-connected at an interconnection point and do not have direct trunks
16 utilizing GTE access tandem to transit traffic. In all cases, ALECs should
17 alternatively have an opportunity to cross-connect. The Commission addressed
18 this in the Interconnection Order at 50. The New York Commission has ordered
19 that ALECs shall be permitted to cross-connect in serving wire centers where

1 more than one ALEC is collocated. New York Case No. 94-C-0095, Order
2 Instituting framework for Directory Listings, Carrier Interconnection, and
3 Inter-carrier Compensation (September 27, 1995). The Commission's
4 interconnection order set a specific rate for the transit function on GTE's network
5 of \$0.00075 per minute of use. Interconnection Order at 24. MFS is offering to
6 pay \$0.001 per minute of use.

7 **Q. WHAT STANDARDS MAY THE COMMISSION CONSIDER WHEN**
8 **SETTING A LOCAL CALL TERMINATION RATE?**

9 **A.** The 1996 Act provides explicit guidance to state regulators in setting local call
10 termination rates. The relevant statutory provision is:

11 **Charges for Transport and Termination of Traffic**

12 (A) IN GENERAL -- For the purposes of compliance by an
13 incumbent local exchange carrier with section 251(b)(5),
14 a State commission shall not consider the terms and
15 conditions for reciprocal compensation to be just and
16 reasonable unless --

17 (i) such terms and conditions provide for the mutual
18 and reciprocal recovery by each carrier of costs
19 associated with the transport and termination on

1 each carrier's network facilities of calls that
2 originate on the network facilities of the other
3 carrier; and,

4 (ii) such terms and conditions determine such costs on
5 the basis of a reasonable approximation of the
6 additional costs of terminating such calls.

7 (B) RULES OF CONSTRUCTION -- This paragraph shall not be
8 construed --

9 (i) to preclude arrangements that afford the mutual
10 recovery of cost through the offsetting of
11 reciprocal obligations, including arrangements
12 that waive mutual recovery (such as bill-and-keep
13 arrangements); or

14 (ii) to authorize the Commission or any State
15 commission to engage in any rate regulation
16 proceeding to establish with particularity the
17 additional costs of transporting or terminating

cal's, or to require carriers to maintain records
with respect to the additional costs of such calls.

3 MFS' request here and in the Partial Agreement is consistent with this standard.

4 Q. WHAT DOES MFS RECOMMEND THAT THE COMMISSION ADOPT
5 WITH RESPECT TO ITS POSITION ON RECIPROCAL
6 COMPENSATION?

7 A. MFS recommends a single, identical, reciprocal and equal compensation charge
8 of \$0.005 per minute that GTE would charge MFS for terminating local traffic
9 on GTE's network and that MFS would charge GTE for terminating local traffic
10 on MFS' network. MFS believes that its proposed compensation charge is
11 reasonable and should be adopted by the Commission in this arbitration because:

12 ▶ The charge meets the requirements of the 1996 Act that compensation for
13 termination of traffic be mutual and reciprocal.

14 ▶ The 1996 Act requires that mutual compensation be based on a
15 "reasonable approximation of the additional costs of terminating such
16 calls."^{2/} Compared to the intrastate switched access rate proposed by

¹⁷ 47 U.S.C. §252(d)(2) (emphasis added).

2/ 47 U.S.C. §254(c)(2)(A)(ii).

1 GTE, MFS' proposed \$0.005 per minute charge is a much better estimate
2 of the cost-based rates required by the 1996 Act.

3 ▶ The \$0.005 per minute charge is consistent with MFS' proposal in the
4 BellSouth, Sprint and GTE cases.

5 ▶ Commission Staff's recommendation in the GTE case was that GTE's
6 cost of local call termination was approximately \$0.0025 per minute of
7 use.

8 **Q. WHY DO YOU BELIEVE THAT MFS' PROPOSED \$0.005 PER MINUTE**
9 **COMPENSATION RATE IS A BETTER "REASONABLE**
10 **APPROXIMATION OF THE ADDITIONAL COSTS OF TERMINATING**
11 **SUCH CALLS" THAN THE ACCESS CHARGE RATE THAT GTE**
12 **PROPOSES?**

13 A. As the Commission recognized, switched access charges are widely considered
14 to be set at levels far in excess of the incremental costs of providing access
15 services. GTE has asserted in many forums that switched access charges provide
16 substantial contribution above costs. Regardless of the policy merits of
17 maintaining switched access charges at such levels, the plain language of the
18 1996 Act does not allow such inflated charges to be used as the basis for
19 compensation. Compensation must be "a reasonable approximation of the

1 additional costs of terminating such traffic and clearly, switched access charges
2 are not a reasonable approximation of the incremental costs of terminating traffic
3 on interconnected carriers' networks. It was for this very reason that the
4 Commission specifically rejected GTE's proposal to charge switched access rates
5 in the Interconnection Order at 8.

6 MFS has not performed an incremental cost study to determine the actual
7 incremental costs of terminating traffic on its network or GTE's network. The
8 Telecommunications Act in fact does not envision that such studies be
9 performed. However, based on my review of voluntarily entered into
10 interconnection agreements and local call termination charges ordered by other
11 commissions, as well as other information available to it, MFS is confident that
12 its \$0.005 per minute proposal is squarely in the range of compensation charges
13 elsewhere ordered or agreed but also well above cost. Without specific cost
14 support studies those other agreements and orders, I believe, can be read to
15 provide a reasonable approximation of the costs of terminating traffic on
16 interconnected carrier's networks for purposes of this arbitration.

17 My review of LEC cost studies prepared by BellSouth, GTE, Sprint and
18 ILECs in other states convinces me that MFS' rate proposal is fully consistent
19 with a "reasonable approximation" of carrier costs.

1 **Q. IS THE \$0.005 PER MINUTE COMPENSATION CHARGE**
2 **CONSISTENT WITH MFS' PREVIOUS REQUESTS TO, AND ORDERS**
3 **OF, THE FLORIDA COMMISSION?**

4 **A.** Yes. MFS proposed that the Commission adopt bill and keep or payment in kind
5 as the appropriate local call termination rate on an interim basis. See
6 Interconnection Order at 5. The Commission adopted a mutual traffic exchange
7 mechanism and noted that "if traffic becomes imbalanced to a significant degree,
8 a usage-based rate may be more appropriate." Since MFS' testimony in that
9 proceeding, several additional states have adopted specific local call termination
10 rates. This evidence, as well as MFS' experiences in additional markets, have
11 allowed MFS to determine that the Commission confidently can prescribe a
12 specific rate can be adopted and that MFS' proposed rate as required by the 1996
13 Act is a reasonable approximation of the additional cost of terminating a call,
14 including a reasonable profit. Given the additional information available to the
15 Commission as well as the provisions of the 1996 Act, the Commission should
16 at the least establish \$0.005 as an appropriate local call termination rate.

1 **B. UNBUNDLING OF LOCAL LOOP FACILITIES**

2 **Q. WHY SHOULD THE COMMISSION REQUIRE THAT LOCAL LOOPS**
3 **BE PROVIDED ON AN UNBUNDLED BASIS?**

4 A. As the Commission has recognized the importance of local loop or "link"
5 unbundling to the development of actual competition derives directly from
6 GTE's continued control of significant monopoly elements, Unbundling Order
7 at 4. Unbundled links will provide access to an essential bottleneck facility
8 controlled by GTE.

9 GTE continues to have monopoly control over the "last mile" of the
10 telecommunications network. Service between most GTE customers and the GTE
11 central offices remains, and for some time to come will apparently continue to
12 remain, nearly the exclusive province of GTE. This monopoly results from the
13 fact that this loop network consists mostly of transmission facilities carrying
14 small volumes of traffic, spread over wide geographic areas. Presently, it is
15 economically more efficient for competitors to purchase access to use GTE loops,
16 just as long distance carriers presently do, rather than to construct ubiquitous
17 competing transmission and switching facilities. The "last mile" loop network,
18 therefore, is an essential bottleneck facility for any potential provider of
19 competitive local exchange service.

1 Given the protection of its former monopoly status, GTE has constructed
2 virtually ubiquitous loop networks that provide access to every interexchange
3 carrier and virtually all residential and business premises in its territory. In
4 building these networks, GTE had the singular advantage of favorable
5 governmental franchises, access to rights-of-way, unique tax treatment, access
6 to buildings on an unpaid basis, and protection against competition. Companies
7 such as MFS that now seek to compete in the provision of local exchange service
8 do not share these advantages, and it would be both infeasible and economically
9 inefficient in most cases for them to seek to construct duplicate loop facilities.
10 Replication of the existing local exchange carrier loop network (using either
11 facilities similar to the incumbent local exchange carriers' or alternative
12 technologies such as wireless loops or cable television plant) would be cost-
13 prohibitive; moreover, competitors cannot obtain as easily public and private
14 rights-of-way, franchises, or building access on the same terms as incumbent
15 local exchange carriers enjoy.

16 This Commission has already ordered that local loops be provided on an
17 unbundled basis. Unbundling Order at 4. Florida law and the 1996 Act require
18 the same unbundling arrangements. The Commission should confirm the same
19 unbundling arrangements should be developed here.

1 **Q. WHAT SPECIFIC UNBUNDLED ELEMENTS SHOULD BE MADE**
2 **AVAILABLE?**

3 A. The network access line portion of local exchange service can be represented as
4 being comprised of two key components: the loop, or "link," which provides the
5 transmission path between the customer and the local exchange central office,
6 and the "port," which represents the interface to the switch, and the capability to
7 originate and terminate calls. Unbundling the local loop consists of physically
8 unbundling the link and port elements, and pricing them on an economically
9 viable basis.

10 Specifically, GTE should immediately unbundle all of its Exchange
11 services into two separate packages: the link element plus cross-connect element
12 and the port element plus cross-connect element. In addition to the types of loops
13 agreed to in the Partial Agreement at 21, MFS seeks unbundled access and
14 interconnection to the following forms of unbundled links: (1) 2-wire ADSL
15 compatible; (2) 2-wire HDSL compatible loops; and (3) 4-wire HDSL compatible
16 loops. MFS' detailed loop requirements are set out in § 9 of the Comprehensive
17 Interconnection Agreement.

18 **Q. IS LINK UNBUNDLING TECHNICALLY FEASIBLE?**

1 A. Yes. Competitors can interconnect to the unbundled loops at the Local exchange
2 carrier central office using the same collocation arrangements already in place for
3 special access and private line circuits.

4 **Q. WHAT ADDITIONAL REQUIREMENTS ARE NECESSARY FOR GTE'S**
5 **UNBUNDLED ELEMENTS TO BE MADE AVAILABLE TO MFS IN**
6 **ORDER FOR MFS TO EFFICIENTLY OFFER SERVICES?**

7 A. GTE should be required to apply all transport-based features, functions, service
8 attributes, grades-of-service, and installation, maintenance and repair intervals
9 which apply to bundled service to unbundled links. See Interconnection
10 Agreement at §§ 9.5, 9.8. The Commission has ordered these arrangements in
11 the Unbundling Order at 29. Likewise, GTE should be required to apply all
12 switch-based features, functions, service attributes, grades-of-service, and install,
13 maintenance and repair intervals which apply to bundled service to unbundled
14 ports. The MFS/GTE Partial Agreement addresses some of these issues to a
15 lesser degree.

16 **C. "FRESH LOOK"**

17 **Q. SHOULD THE COMMISSION PROVIDE FOR A "FRESH LOOK" FOR**
18 **CUSTOMERS' BUNDLED SERVICE?**

1 A. Yes. GTE should permit any customer to convert its bundled service to an
2 unbundled service and assign such service to MFS, with no penalties, rollover or
3 termination charges to MFS or the customer. MFS should only be responsible
4 for the direct costs incurred to convert the customer. Such "fresh look"
5 provisions are a common consumer protection procedure in Florida. See Order
6 No. PSC-96-444-FOF-TP, at 16-18 (recon. pending); *Intermedia*
7 *Communications of Florida, Inc.*, 1994 WL 118370 (Fla. P.S.C.), *reconsidered*,
8 1995 WL 579981 (Fla. P.S.C., Sept. 21, 1995). While the Commission did not
9 order "fresh look" with respect to GTE, MFS has argued that it should. See
10 *Motion for Reconsideration by Metropolitan Fiber Systems of Florida, Inc.*,
11 Docket No. 950984-TP (July 8, 1996). In addition to Florida, the FCC and the
12 commissions of New Jersey, California, and Ohio recognize that without a fresh
13 look, incumbents can lock up customers to long term arrangements and impede
14 competition.

15 **Q. HAVE MFS AND GTE AGREED UPON AN UNBUNDLED ELEMENT**
16 **REQUEST PROCESS?**

17 A. No. MFS requests a request process more fully described in § 9.0 of the
18 Comprehensive Interconnection Agreement. The Commission ordered GTE and

1 MFS to address an appropriate process. These arrangements were agreed to in
2 the Ameritech and NYNEX Agreements.

3 **D. PRICES FOR UNBUNDLED LOOPS**

4 **Q. WHAT IS MFS' POSITION ON UNBUNDLED LOOPS?**

5 A. MFS believes that the approximate long-run incremental cost-based prices for
6 unbundled loops is set forth in §9.6 and Exhibit 12 of the Comprehensive
7 Interconnection Agreement. Generally, MFS believes that monthly recurring
8 rates of \$8.00, \$11.00, and \$15.00 for unbundled loops in urban, suburban, and
9 rural zones, respectively would be appropriate. GTE refuses to offer MFS
10 unbundled loops at the prices MFS proposes. GTE proposes to charge MFS the
11 tariffed intrastate special access rate for unbundled loops.

12 In the Unbundling Order, this Commission recently approved an interim
13 unbundled loop rate for a 2 wire analog loop of \$20 a month for GTE and ordered
14 that GTE refile cost studies or further justify its rates. Unbundling Order at 32.
15 The Commission ordered an interim \$15 rate for a 2-wire analog loop for Sprint,
16 *id.* at 26, and an interim \$17 a month rate for BellSouth. See Order No. PSC-96-
17 0444-FOF-TP, at 16. MFS has sought reconsideration of GTE's \$20 rate, which
18 it believes, based on rates ordered elsewhere by other commissions and by this
19 Commission is wildly disparate from the other rates. In the BellSouth petition

1 proceeding, BellSouth filed a motion for reconsideration of the Commission's
2 order in which this Commission set a \$17 rate. However, after it performed the
3 cost studies ordered by the Commission, BellSouth withdrew its petition for
4 reconsideration on that issue. This is evidence that BellSouth's costs, as
5 determined by its own cost studies, are lower than the \$17 rate ordered by the
6 Commission. Given the interim rates set for BellSouth and Sprint, the GTE rates
7 are totally unacceptable.

8 The unbundled loop rates proposed by MFS in the Comprehensive
9 Agreement are reasonable rates. They are higher than the unbundled local loop
10 rates that Ameritech voluntarily agreed to in the recent regional interconnection
11 agreement between MFS and Ameritech, which is attached, but lower than the
12 local loop rates set by the Commission. These proposed rates also reflect the
13 critical impact of density on loop costs. In light of the 1996 Act, which requires
14 cost-based pricing, and evidence now available regarding specific reasonable
15 rates, MFS believes the Commission should adopt MFS' rates.

1 **Q. IS IT IMPORTANT THAT UNBUNDLED ELEMENTS OF THE LOCAL**
2 **LOOP BE AVAILABLE TO NEW ENTRANTS AT A REASONABLE**
3 **PRICE?**

4 **A.** Yes, indeed both the Florida Act and the 1996 Act require it. The availability of
5 loops on an unbundled basis is only half the equation. As the Commission has
6 recognized, the loops must be priced in a manner that allows carriers to offer end
7 users a competitively priced service. In order to discourage GTE from
8 implementing anticompetitive pricing policies that would artificially depress the
9 demand for a competitor's service, the Commission should adopt pricing
10 guidelines for unbundled loops that are premised on an efficient market provider
11 using a forward-looking technology. Section 252 of the Federal requires such
12 cost-based pricing. Section 364.162, Florida Statutes, requires that the rate be
13 neither below cost nor so high that it would serve as a barrier to competition.

14 Absent any mitigating circumstances that might justify lower rates, local
15 loop Long Run Incremental Costs ("LRIC") should serve as the target price and
16 cap for unbundled loops where such loops must be employed by competitive
17 carriers to compete realistically and practically with the entrenched monopoly
18 service provider, GTE. The Commission so ordered in the Unbundling Order at
19 32. LRIC is the direct economic cost of a given facility, including cost of capital,

1 and represents the cost that the Local exchange carrier would otherwise have
2 avoided if it had not installed the relevant increment of plant -- *i.e.*, local loops
3 in a given region. Thus, by leasing a loop to a competitor, an incumbent local
4 exchange carrier would be allowed to recover no less than the full cost (of an
5 efficient market provider using forward-looking technology) it would otherwise
6 have avoided had it not built the increment of plant that it has made available,
7 through loop unbundling, for use by a competitor in serving the customer to
8 whose premises the loop extends.

9 There is, however, an important qualification to this general principle.
10 LRIC is the appropriate pricing methodology *only* if it is applied consistently in
11 setting the cost both for the unbundled services provided to co-carriers and the
12 bundled services offered by GTE to its own end users. New entrants should not
13 be subject to discriminatory charges that GTE does not apply to its own end
14 users. Therefore, the Commission should adopt a pricing guideline to prevent
15 such discrimination where the sum of the prices of the unbundled rate elements
16 (link, port, and cross-connect) must be no greater than the price of the bundled
17 dial tone line.

1 Q. **SHOULD THE COMMISSION TAKE INTO ACCOUNT DENSITY IN**
2 **ORDER TO ACCURATELY REFLECT THE COST**
3 **CHARACTERISTICS OF THE LOCAL LOOP?**

4 A. Yes. Any proposed rate that does not take into account distance-sensitivity and,
5 more importantly, does not take into account line density, is fundamentally
6 flawed and could severely impair facilities-based local exchange competition.
7 The adoption of distance- and density-sensitive rates is the most accurate
8 reflection of the underlying costs for these loops and therefore the most effective
9 means of implementing the principle of cost-based rates.

10 MFS urges the Commission to require costs that consider cost
11 characteristics of local exchange loops. MFS submits that rates set by the
12 Commission must be based upon loop costs of an efficient provider using
13 forward-looking technology. MFS feels that the attached Benchmark Cost Model,
14 in Exhibit 9, should be used to determine loop prices.

15 In order to price the loops on a cost sensitive basis, GTE should establish
16 price categories based upon the BCM which reflects the cost of the average loop
17 length and density by wire center. Based on its experience in other states, MFS
18 would suggest three wire center categories. Category A would include wire
19 centers from which loops of the shorter length and maximum density extend.

1 Category B would include wire centers from which loops of medium length and
2 medium density extend. Finally, Category C would include those wire centers
3 from which loops of the longest length and lowest density extend. Rates for
4 loops in each wire center category would be the same and would be calculated
5 based on the average long run incremental cost of loops in that category. This
6 pricing approach will ensure that the statutory requirement that unbundled loops
7 be offered at rates reflective of their cost characteristics is satisfied.

8 The Commission did not order zone density pricing in the Unbundling
9 Order. MFS believes that Section 364.3381, Florida Statutes, and Section
10 252(d)(1) of the 1996 Act require it. MFS has sought reconsideration of the
11 Unbundling Order on that point.

12 **Q. HAVE LECS IN OTHER JURISDICTIONS ADOPTED SUCH A**
13 **PRICING METHODOLOGY?**

14 **A.** Yes. LECs in other jurisdictions, including Ameritech Illinois, the Southern New
15 England Telephone Company, and Pacific Bell, have adopted similar pricing
16 methodologies. Moreover, the Federal Communications Commission ("FCC")
17 endorsed such a pricing scheme when it authorized LECs offering collocation to
18 implement zone density pricing for special access services. *Expanded*
19 *Interconnection with Local Telephone Company Facilities, Report and Order*

1 *and Notice of Proposed Rulemaking*, 7 FCC Rcd 7369, 7454 (1992). Zone
2 density pricing allows LECs the opportunity to price their services in a manner
3 that reflects the cost differences in providing service to major metropolitan
4 business districts, smaller cities and suburban areas, and rural areas. Such cost
5 differences are just as characteristic of unbundled loops.

6 **Q. WHAT ARE THE URBAN, SUBURBAN AND RURAL RATES IN THE**
7 **AMERITECH AGREEMENT AND HOW DO THEY COMPARE WITH**
8 **THE BENCHMARK COST MODEL?**

9 A. The Ameritech agreement provides an urban rate of \$6.95, suburban of \$11.10,
10 and rural of \$13.60. The Benchmark Cost Model costs range between \$5.59 and
11 \$430.18, with a statewide average monthly cost of \$15.03. Earlier, the Illinois
12 Commission ordered loop rates of \$7.29 - \$14.65 for business loops and \$4.59 -
13 \$12.14 for residence loops.

14 **Q. HOW DID THE FLORIDA BENCHMARK COST FIGURES COMPARE**
15 **TO THOSE OF ILLINOIS?**

16 A. The Florida Benchmark Cost Model costs range between \$5.52 and \$1,016.14,
17 with a statewide monthly average of \$14.79.

1 Q. DO THE BENCHMARK COST MODEL COSTS INCLUDE MORE
2 THAN THE COST OF LOOPS?

3 A. Yes. They include the costs of basic service, which include more than the cost
4 of a loop.

5 Q. SINCE THE FLORIDA BENCHMARK COSTS ARE AT OR BELOW
6 THOSE OF ILLINOIS, WOULD IT BE REASONABLE TO ASSUME
7 GTE COULD OFFER PRICES IN THE SAME RANGE AS
8 AMERITECH'S?

9 A. Yes. This Commission should be comfortable with MFS' proposed rates as they
10 are above Ameritech's, and therefore recover GTE's reasonable approximation
11 of costs including a reasonable profit. See Section 252(d).

12 E. STIPULATED DAMAGES CLAUSES

13 Q. WHY DOES MFS RECOMMEND THAT THE COMMISSION ADOPT
14 ITS POSITION ON STIPULATED DAMAGES?

15 A. Stipulated damages provide an efficient, effective mechanism for enforcing one
16 of the most important provisions of the interconnection agreement. MFS
17 proposes stipulated damages in § 23.0 of the Comprehensive Interconnection
18 Agreement. Stipulated damages provide an unambiguous financial incentive for
19 firms to comply with the terms and conditions of the interconnection agreement.

1 **Q. HAS THE COMMISSION IMPOSED PERFORMANCE STANDARDS?**

2 A. Yes. The Commission ordered operational arrangements in those dockets that
3 dealt with specific performance criteria. Other LECs have agreed to similar, if
4 not identical, terms for performance. MFS proposes damages provisions to
5 ensure compliance with the Commission's performance standards.

6 **F. LOCAL TELEPHONE PORTABILITY ARRANGEMENTS**

7 **Q. IS MFS REQUESTING ANY INTERIM NUMBER PORTABILITY**
8 **OPERATIONAL ARRANGEMENTS DIFFERENT FROM WHAT THE**
9 **COMMISSION ORDERED IN THE INTERCONNECTION**
10 **PROCEEDING?**

11 A. Yes. See Comprehensive Agreement, § 13.0. The different items are migration
12 to permanent number portability, coordination of number portability with
13 unbundled elements, and procedures for providing INP through NXX migration.
14 All three provisions are consistent with the Commission's Order, however. GTE
15 agreed to interim number portability provisions in the Partial Agreement at 23-
16 25.

17 **Q. DOES MFS ASK FOR ANY OTHER INTERIM NUMBER**
18 **PORTABILITY ARRANGEMENTS WHICH DIFFER FROM THE**
19 **COMMISSION'S INTERCONNECTION ORDER?**

1 A. Yes, MFS asks for cost recovery rates for number portability in § 13.5 of the
2 Comprehensive Interconnection Agreement, consistent with the FCC's recent
3 order concerning cost recovery for interim number portability. *See First Report*
4 *and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 95-116,
5 ¶¶ 117-40 (released July 2, 1996). All other compensation arrangements
6 previously ordered by the Commission and agreed to by GTE in the Partial
7 Agreement (i.e., compensation for ported calls) are consistent with MFS'
8 proposal.

9 **II. PARTIALLY RESOLVED ISSUES**

10 **Q. HAVE MFS AND GTE RESOLVED ANY ISSUES?**

11 A. Yes, although resolved may be a misnomer. On most issues in the
12 Comprehensive Agreement, GTE has already agreed to similar terms in the
13 Partial Agreement, or been ordered by the Commission to abide by certain terms.
14 Despite being bound, GTE will not execute a comprehensive agreement, which
15 incorporates these issues. Until GTE implements an interconnection agreement
16 with MFS, we cannot provide service. To preserve our rights under the Act I will
17 describe these issues, and the basis upon which GTE is bound to terms.

18 **A. INFORMATION SERVICES TRAFFIC**

1 **Q. WHY SHOULD THE COMMISSION ADOPT MFS' POSITION ON**
2 **INFORMATION SERVICES TRAFFIC?**

3 A. MFS' position on Information Services Traffic is set out in § 7.1 of the
4 Comprehensive Interconnection Agreement. GTE agreed to similar provisions
5 in the Partial Agreement at 16. The Comprehensive Agreement clarifies the
6 technical provisions of the Partial Agreement. This Commission adopted similar
7 arrangements in the Interconnection Order at 37-39 for Sprint. NYNEX,
8 Ameritech and Pacific Bell have all agreed to identical arrangements with MFS.
9 There is no reason why the same provisions should not be applied to GTE.

10 **Q. HOW DOES THE COMPREHENSIVE INTERCONNECTION**
11 **AGREEMENT CLARIFY THE TECHNICAL REQUIREMENTS FOR**
12 **INFORMATION SERVICES TRAFFIC?**

13 A. MFS will deliver information services traffic originated over its exchange
14 services and the appropriate trunks to information services providers over GTE's
15 information services platform (e.g., 976) over the appropriate trunks. GTE
16 should, at MFS' option, provide a direct real-time electronic feed or a daily or
17 monthly magnetic tape in a mutually-specified format, listing the appropriate
18 billing listing and effective daily rate for each information service by telephone
19 number. To the extent MFS determines to provide a competitive information

1 services platform, GTE should cooperate with MFS to develop a LATA-wide
2 NXX code(s) which MFS may use in conjunction with such a platform.
3 Additionally, GTE should route calls to such platform over the appropriate
4 trunks, and MFS will provide billing listing/daily rate information on terms
5 reciprocal to those specified above.

6 With respect to compensation issues, MFS will bill and collect from its
7 end users the specific end user calling rates GTE bills its own end users for such
8 services. MFS will remit the full specified charges for such traffic each month
9 to GTE, less \$0.05 per minute, and less uncollectibles. In the event MFS provides
10 an information service platform, GTE should bill its end users and remit funds
11 to MFS on terms reciprocal to those specified above. MFS seeks a Commission
12 order adopting these procedures and compensation rates.

13 **Q. WHAT WOULD HAPPEN IF THESE ARRANGEMENTS WERE NOT**
14 **IMPLEMENTED?**

15 A. Realistically, MFS' proposal for rating and billing charges from information
16 service providers is the only efficient, feasible mechanism for billing such traffic.
17 Information service providers will enter into a contract with a local telephone
18 company (e.g., either GTE, MFS or some other local telephone company) for that
19 company to rate and bill end-users for calls to that information service provider.

1 Under MFS' proposal, interconnected local telephone providers would exchange
2 information necessary for the telephone company that serves the originating end-
3 user to render a bill and collect for calls to the information service provider (less
4 certain agreed upon adjustments).

5 In the absence of MFS' proposal, several practical problems arise:

- 6 ▶ **Customer confusion.** Customers expect a bill from the local telephone
7 carrier they have selected. It will be confusing for customers who call
8 information service providers to receive a bill from some other local
9 telephone company.
- 10 ▶ **Access to Competitor's Customer Records and Information.** In the
11 absence of MFS' proposal, in order to bill for information services used
12 by a competitor's customers, a local telephone company would have to
13 somehow gain access to the billing names and addresses of its
14 competitor's customers. Clearly, that would be undesirable in a
15 competitive environment.
- 16 ▶ **Increased Transaction Costs for Information Providers.** In the
17 absence of MFS' proposal, information service providers would have to
18 enter into billing and collection contracts with all local telephone carriers
19 serving customers who might use their information services. Negotiating

1 billing and collection contracts with all local telephone carriers who
2 might serve the targeted populatio.. would greatly increase the start-up
3 and transaction costs for information service providers.

4 ▶ **Discrimination.** Information service providers presently served by
5 incumbent local telephone carriers are not required to enter into billing
6 and collection agreements with all local telephone carriers. For example,
7 if a caller living in Sprint's Apopka service territory calls an information
8 service provider served by GTE in the Orlando area, the call is billed by
9 Sprint without requiring that the information service provider enter into
10 a separate billing and collection contract with Sprint. MFS' proposal is
11 simply that it be treated as other local telephone carriers are treated.

12 **B. INFORMATION (CALL GUIDE) PAGES**

13 **Q. WHY DOES MFS RECOMMEND THAT THE COMMISSION ADOPT**
14 **ITS POSITION ON INFORMATION (CALL GUIDE) PAGES?**

15 A. The call guide pages of the telephone book provide consumers with basic
16 information about the use of their telecommunications services. It contains
17 information about repairs, billing and customer service. With the advent of local
18 telephone competition, it should also contain this information for local telephone
19 carriers. Allowing competitive local service providers to include their logos in

1 the information pages is appropriate because the incumbent service provider will
2 have a *de facto* monopoly on telephone directories (especially white pages) and
3 will serve the great majority of customers for some time. Publishing and
4 distributing a competitive telephone directory will not be economically justified
5 for competitive local service providers until their customer base expands.

6 The market power inherent in control over telephone directories was
7 recognized by Congress when it enacted the 1996 Act. The provision of white
8 pages directory listings for customers of competing local carriers is one of the
9 checklist items that Bell Operating Companies must comply with under
10 § 271(c)(2)(B)(viii) of the 1996 Act, in order to provide interLATA services.
11 Including competitors' customer information in GTE's telephone directories
12 would have little meaning if customers were unaware of their choices because
13 information about competitors was buried in the directory. Examples of
14 Information Pages with MFS' logo and service information are attached as
15 Exhibit 1.

16 GTE agreed to those arrangements in the Partial Agreement at 21. The
17 Partial Agreement states that an additional agreement may be necessary with
18 GTE's publishing affiliate. The Commission's Interconnection Order at 21
19 requires GTE to conform to the arrangements it ordered for Sprint if MFS and

1 GTE have no agreement within 60 days. Interconnection Order at 46. Thus,
2 MFS believes GTE is now bound by Commission order to provide this. As of
3 this date, MFS and GTE are negotiating a national agreement regarding
4 directories that, if successful, will address all Information Page issues.

5 **Q. SHOULD MFS BE ALLOWED TO TAKE ADVANTAGE OF**
6 **INTERCONNECTION AND UNBUNDLING ARRANGEMENTS GTE**
7 **SUBSEQUENTLY MAKES WITH OTHER ALECS?**

8 A. Absolutely. MFS' view is set out in § 24.0 of the Comprehensive
9 Interconnection Agreement. MFS' proposal is consistent with Section 252(i),
10 and other LECs have concurred with this arrangement.

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes, it does.

13

MFS COMMUNICATIONS COMPANY, INC.

WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-1

Page 1 of 3

35

INFO PAGES

PHONE PROVIDERS

How Do I Reach Other Local Phone Service Providers?



Bell Atlantic Customer Guide | 5

Other Telephone
Companies

**Eastern TeleLogic
Corporation**
A Concast Affiliate

Eastern TeleLogic Corporation
Main Number
Repair

610-382-3000
800-ETCS-MCG
(382-7622)
800-959-5444
800-272-0500

Customer Service
Sales Information

Pennsylvania TRS
Text Telephone
Voice

800-654-5904
800-654-5908



MCI Business Customers
Local Sales, Service, Billing & Repair

800-374-4400

MCI Residential Customers
Local Sales, Service, Billing & Repair

800-274-5565

MCI Business Customers
Billing and Payment Information

800-374-4400

MCI Residential Customers
You may pay your bill by sending your check and the
remittance stub to:
MCI
P.O. Box 811199
Dallas, TX 75284-1199



MFS Intelenet Companies
Local Sales Office
Customer Service, Repair and Billing

610-617-6000
800-958-MFS1
(6374)

Customer Billing Mailing Address:
MFS Intelenet, Inc.
P.O. Box 8500-1590
Philadelphia, PA 19178-1590

MFS Telecom Companies
Local Sales Office
Customer Service and Billing
Repair

215-977-8500
800-958-MFS1
(6374)
800-MFS-CITY
(637-3489)

Customer Billing Mailing Address:
MFS Telephone
Dept. 82310
P.O. Box 7413
Chicago, IL 60680-7413

Telephone & Directory Services



Ameritech Home Customers

	Toll Free Numbers
Local Sales, Service, & Billing	800-244-4444
Rapid Order	800-331-5434

A quick and easy way to obtain pricing information and order options online. (24 hrs. a day 7 days a week.)

Home Office Technician Center	800-967-5543
Repair Service (for additional information see page 6)	611

Ameritech Business Customers

Small Business (1-11 Lines)	
Local Sales, Service & Billing	800-660-3000
24 Hour Repair Service	800-685-CARE
	800-727-3273

Medium to Large Business (12+ Lines)

Local Sales, Service, Billing & Repair	800-485-6888
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Pay Phones

Sales, Service, Billing & Repair	800-809-0178
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Ameritech Services For The Disabled

Ameritech offers special services and prices to our disabled customers. Contact Ameritech for more information and applications, dial (Voice) 800-244-4444

TDD/TTY Customers

To reach Ameritech on your TDD	800-672-9002
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MCI Business Customers

Local Sales, Service, Billing & Repair	800-374-6400
--	--------------

MCI Residential Customers

Local Sales, Service, Billing & Repair	800-374-5545
--	--------------



MFS Intentional Companies

Local Sales Office	(312) 803-7700
Customer Service, Repair and Billing	(800) 938-MFSI (6374)

MFS Telecom Companies

Local Sales Office	(312) 940-0040
Customer Service and Billing	(800) 938-MFSI (6374)

Repair	(800) MFS CITY (637-3489)
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Local Sales	800-JUST-TCG (527-6836)
-------------	-------------------------

Main/Administration	312-765-0888
---------------------	--------------

Repair	800-829-1011
--------	--------------

Customer Service/Billing	800-387-6079
--------------------------	--------------

Illinois Relay Center

The Illinois Relay Center makes it possible for hearing-impaired and/or speech-impaired TDD phone customers to call persons or businesses without TDDs anywhere in Illinois 24 hours a day, 7 days a week. All calls are confidential and billed at regular telephone rates. To use the service:

TDD only	800-526-0844
Voice	800-526-0837

Buried Cable Location

Call before digging to locate any underground utilities.

Within Chicago call "Diggs"	312-744-7000
-----------------------------	--------------

Suburban "Call JULIE"	800-892-0123
-----------------------	--------------



American PageOne® Directories

Yellow Pages and White Pages Directory Information

Advertiser Services

	800-346-3988
--	--------------

For information on advertising in the yellow or white pages.

Hours 8:00 a.m.-12:00 p.m., Mon.-Fri.

Additional Directories

To change local or suburban directories or to change the number of directories you receive (there may be a charge for paper books)

Hours 7:00 a.m.-6:00 p.m., Mon.-Fri.

Within Illinois	800-541-5000
-----------------	--------------

Outside Illinois	800-707-6650
------------------	--------------

Hearing Impaired (TDD only)	800-773-1897
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Executive Offices	312-240-6000
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205 N. Michigan • Chicago, IL 60601



TTD
ORIGINAL

EXECUTION COPY

**INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252
OF THE TELECOMMUNICATIONS ACT OF 1996**

Dated as of May 17, 1996

by and between

**AMERITECH INFORMATION INDUSTRY SERVICES,
a division of Ameritech Services, Inc.
on behalf of Ameritech Illinois**

and

MFS INTELENET OF ILLINOIS, INC.

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INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 ("Agreement"), is effective as of the 17th day of May, 1996 (the "Effective Date"), by and between Ameritech Information Industry Services, a division of Ameritech Services, Inc., a Delaware Corporation with offices at 350 N. Orleans, Third Floor, Chicago, Illinois 60654, on behalf of Ameritech Illinois ("Ameritech") and MFS Intelenet of Illinois, Inc. ("MFS") a Delaware corporation with offices at 1 Tower Lane, 27th Floor, Oakbrook Terrace, Illinois 60181.

WHEREAS, the Parties want to interconnect their networks at mutually agreed upon points of interconnection to provide Telephone Exchange Services (as defined below) and Exchange Access (as defined below) to their respective Customers.

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and provide other services as required by the Act (as defined below) and additional services as set forth herein.

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

1.0 DEFINITIONS.

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. For convenience of reference only, the definitions of certain terms that are As Defined in the Act (as defined below) are set forth on Schedule 1.0. Schedule 1.0 sets forth the definitions of such terms as of the date specified on such Schedule and neither Schedule 1.0 nor any revision, amendment or supplement thereof intended to reflect any revised or subsequent interpretation of any term that is set forth in the Act is intended to be a part of or to affect the meaning or interpretation of this Agreement.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 153(R)), as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or a Commission within its state of jurisdiction.

1.2 "ADSL" or "Asymmetrical Digital Subscriber Line" means a transmission technology which transmits an asymmetrical digital signal using one of a variety of line codes.

1.3 "Affiliate" is As Defined in the Act.

1.4 "Agreement for Switched Access Meet Point Billing" means the Agreement for Switched Access Meet Point Billing dated as of March 13, 1996 by and between the Parties.

1.5 "As Defined in the Act" means as specifically defined by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.6 "As Described in the Act" means as described in or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.7 "Automatic Number Identification" or "ANI" means a Feature Group D signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.8 "BLV/BLVI Traffic" means an operator service call in which the caller inquires as to the busy status of or requests an interruption of a call on another Customer's Telephone Exchange Service line.

1.9 "Calling Party Number" or "CPN" is a Common Channel Interoffice Signaling ("CCIS") parameter which refers to the number transmitted through a network identifying the calling party.

1.10 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switches" which are used to terminate Customer station Loops for the purpose of interconnection to each other and to trunks; and

(b) "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.11 "CCS" means one hundred (100) call seconds.

1.12 "CLASS Features" means certain CCIS-based features available to Customers including, but not limited to: Automatic Call Back; Call Trace; Caller Identification and related blocking features; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.

1.13 "Collocation" means an arrangement whereby one Party's (the "Collocating Party") facilities are terminated in its equipment necessary for Interconnection or for access to Network Elements on an unbundled basis which has been installed and maintained at the premises of a second Party (the "Housing Party"). For purposes of Collocation, the "premises" of a Housing Party is limited to occupied structure or portion thereof in which such Housing Party has the exclusive right of occupancy. Collocation may be "physical" or "virtual". In "Physical Collocation," the Collocating Party installs and maintains its own equipment in the

Housing Party's premises. In "Virtual Collocation," the Housing Party installs and maintains the Collocating Party's equipment in the Housing Party's premises.

1.14 "Commission" or "ICC" means the Illinois Commerce Commission.

1.15 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis and, unless otherwise agreed by the Parties, the CCIS used by the Parties shall be SS7.

1.16 "Cross Connection" means a connection provided pursuant to Collocation at the Digital Signal Cross Connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party.

1.17 "Customer" means a third-party residence or business that subscribes to Telecommunications Services provided by either of the Parties.

1.18 "Dialing Parity" is As Defined in the Act. As used in this Agreement, Dialing Parity refers to both Local Dialing Parity and Toll Dialing Parity. "Local Dialing Parity" means the ability of Telephone Exchange Service Customers of one LEC to place local calls to Telephone Exchange Service Customers of another LEC, without the use of any access code and with no unreasonable dialing delay. "Toll Dialing Parity" means the ability of Telephone Exchange Service Customers of a LEC to have their toll calls (inter or intraLATA) routed to a toll carrier (intraLATA or interLATA) of their selection without dialing access codes or additional digits and with no unreasonable dialing delay.

1.19 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.20 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.21 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

1.22 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.23 "Exchange Message Record" or "EMR" means the standard used for exchange of Telecommunications message information among Telecommunications providers for billable, non-billable, sample, settlement and study data. EMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

1.24 "Exchange Access" is As Defined in the Act.

1.25 "FCC" means the Federal Communications Commission.

1.26 "Fiber-Meet" means an Interconnection architecture method whereby the Parties physically Interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location.

1.27 "HDSL" or "High-Bit Rate Digital Subscriber Line" means a transmission technology which transmits up to a DS1-level signal, using any one of the following line codes: 2 Binary / 1 Quaternary ("2B1Q"), Carrierless AM/PM, Discrete Multitone ("DMT"), or 3 Binary / 1 Octel ("3B1O").

1.28 "Information Service Traffic" means Local Traffic or IntraLATA Toll Traffic which originates on a Telephone Exchange Service line and which is addressed to an information service provided over a Party's information services platform (e.g., 976).

1.29 "Integrated Digital Loop Carrier" means a subscriber loop carrier system which integrates within the switch at a DS1 level that is twenty-four (24) local Loop transmission paths combined into a 1.544 Mbps digital signal.

1.30 "Interconnection" is As Described in the Act and refers to the connection of separate pieces of equipment, facilities, or platforms between or within networks for the purpose of transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic.

1.31 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.32 "Interim Telecommunications Number Portability" or "INP" is As Described in the Act.

1.33 "InterLATA" is As Defined in the Act.

1.34 "Integrated Services Digital Network" or "ISDN" means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 kbps bearer channels and one 16 kbps data channel (2B+D).

1.35 "IntraLATA Toll Traffic" means those intraLATA station calls that are not defined as Local Traffic in this Agreement.

1.36 "Local Access and Transport Area" or "LATA" is As Defined in the Act.

1.37 "Local Traffic" means a call which is fifteen (15) miles or less as calculated by using the V&H coordinates of the originating NXX and the V&H coordinates of the terminating NXX, or as otherwise determined by the FCC or Commission for purposes of Reciprocal

Compensation; provided, that in no event shall a Local Traffic call be less than fifteen (15) miles as so calculated.

1.38 "Local Exchange Carrier" or "LEC" is As Defined in the Act.

1.39 "Local Loop Transmission" or "Loop" means the entire transmission path which extends from the network interface or demarcation point at a Customer's premises to the Main Distribution Frame or other designated frame or panel in a Party's Wire Center which serves the Customer. Loops are defined by the electrical interface rather than the type of facility used.

1.40 "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).

1.41 "Main Distribution Frame" or "MDF" means the distribution frame of the Party providing the Loop used to interconnect cable pairs and line and trunk equipment terminals on a switching system.

1.42 "Meet-Point Billing" means the process whereby each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Access Service as agreed to in the Agreement for Switched Access Meet Point Billing.

1.43 "Network Element" is As Defined in the Act.

1.44 "Network Element Bona Fide Request" means the process described on Exhibit A that prescribes the terms and conditions relating to a Party's request that the other Party provide a Network Element not otherwise provided by the terms of this Agreement.

1.45 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.46 "Number Portability" is As Defined in the Act.

1.47 "NXX" means the three-digit code which appears as the first three digits of a seven digit telephone number.

1.48 "Party" means either Ameritech or MFS, and "Parties" means Ameritech and MFS.

1.49 "Port" means a termination on a Central Office Switch that permits Customers to send or receive Telecommunications over the public switched network, but does not include switch features or switching functionality.

1.50 "Rate Center" means the specific geographic point which has been designated by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center. Rate Centers will be identical for each Party until such time as MFS is permitted by an appropriate regulatory body to create its own Rate Centers within an area.

1.51 "Reciprocal Compensation" is As Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Telecommunications originating on one Party's network and terminating on the other Party's network.

1.52 "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for inbound traffic to one or more of its NPA-NXX codes. The Routing Point is also used to calculate mileage measurements for the distance-sensitive transport element charges of Switched Exchange Access Services. Pursuant to Bell Communications Research, Inc. ("Bellcore") Practice BR 795-100-100 (the "Bellcore Practice"), the Routing Point (referred to as the "Rating Point" in such Bellcore Practice) may be an End Office Switch location, or a "LEC Consortium Point of Interconnection." Pursuant to such Bellcore Practice, each "LEC Consortium Point of Interconnection" shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, Routing Points associated with each NPA-NXX need not be the same as the corresponding Rate Center, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center; provided only that the Routing Point associated with a given NPA-NXX must be located in the same LATA as the Rate Center associated with the NPA-NXX.

1.53 "Service Control Point" or "SCP" means a Signaling End Point that acts as a database to provide information to another signaling end point (i.e., Service Switching Point or another SCP) for processing or routing certain types of network calls. A query/response mechanism is typically used in communicating with an SCP.

1.54 "Signaling End Point" or "SEP" means a signaling point, other than an STP, which serves as a source or a repository for CCIS messages.

1.55 "Signaling Transfer Point" or "STP" means a signaling point that performs message routing functions and provides information for the routing of messages between SEPs. An STP transmits, receives and processes CCIS messages.

1.56 "Switched Exchange Access Service" means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of Telephone Toll Service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access services.

1.57 "Synchronous Optical Network" or "SONET" means an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps (OC-1/STS-1) and higher rates are direct multiples of the base rate, up to 13.22 Gpbs.

1.58 "Technically Feasible Point" is As Described in the Act.

1.59 "Telecommunications" is As Defined in the Act.

1.60 "Telecommunications Act" means the Telecommunications Act of 1996 and any rules and regulations promulgated thereunder.

1.61 "Telecommunications Carrier" is As Defined in the Act.

1.62 "Telecommunications Service" is As Defined in the Act.

1.63 "Telephone Exchange Service" is As Defined in the Act.

1.64 "Telephone Toll Service" is As Defined in the Act.

1.65 "Wire Center" means an occupied structure or portion thereof in which a Party has the exclusive right of occupancy and which serves as a Routing Point for Switched Exchange Access Service.

2.0 INTERPRETATION AND CONSTRUCTION.

All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms defined in Schedule 1.0 are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including Ameritech or other third party offerings, guides or practices), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

3.0 IMPLEMENTATION SCHEDULE AND INTERCONNECTION ACTIVATION DATES.

Subject to the terms and conditions of this Agreement, Interconnection of the Parties' facilities and equipment pursuant to Section 4.0 for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic shall be established on or before the corresponding "Interconnection Activation Date" shown for each such LATA on Schedule 3.0. Schedule 3.0 may be revised and supplemented from time to time upon the mutual agreement of the Parties to reflect the Interconnection of additional LATAs pursuant to Section 4.5 by attaching one or more supplementary schedules to such schedule.

4.0 INTERCONNECTION PURSUANT TO SECTION 251(c)(2).

4.1 Scope

Section 4.0 describes the physical architecture for Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to Section 251(c)(2) of the Act. Sections 5.0 and 6.0 prescribe the specific logical trunk groups (and traffic routing parameters) which will be configured over the physical connections described in this Section 4.0 related to the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic, respectively. Other trunk groups, as described in this Agreement, may be configured using this architecture.

4.2 Physical Architecture

In each LATA identified on Schedule 3.0, MFS and Ameritech shall jointly engineer and operate a single Synchronous Optical Network ("SONET") transmission system by which they shall Interconnect their networks for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to Section 251(c)(2) of the Act. Unless otherwise mutually agreed, this SONET transmission system shall be configured as illustrated in Exhibit B, and engineered, installed, and maintained as described in this Section 4.0 and in the Joint Grooming Plan (as defined in Section 8.1).

4.2.1 The Parties shall jointly determine and agree upon the specific Optical Line Terminating Multiplexor ("OLTM") equipment to be utilized at each end of the SONET transmission system. If the Parties cannot agree on the OLTM, the following decision criteria shall apply to the selection of the OLTM:

- (a) First, the type of OLTM equipment utilized by both Parties within the LATA. Where more than one type of OLTM equipment is used in common by the Parties within the LATA, the Parties shall choose from among the common types of OLTM equipment according to the method described in subsection (c) below;
- (b) Second, the type of OLTM equipment utilized by both Parties anywhere outside the LATA. Where more than one type of OLTM equipment is used in common by the Parties outside the LATA, the Parties shall choose from among the common types of OLTM equipment according to the method described in subsection (c) below; and
- (c) Third, the Party first selecting the OLTM equipment shall be determined by lot and the choice to select such OLTM equipment shall thereafter alternate between the Parties.

4.2.2 Ameritech shall, wholly at its own expense, procure, install and maintain the agreed upon OLTM equipment in the Ameritech Interconnection Wire Center ("AIWC")

identified for each LATA set forth on Schedule 3.0, in capacity sufficient to provision and maintain all logical trunk groups prescribed by Sections 5.0 and 6.0.

4.2.3 MFS shall, wholly at its own expense, procure, install and maintain the agreed upon OLT equipment in the MFS Interconnection Wire Center ("MIWC") identified for that LATA in Schedule 3.0, in capacity sufficient to provision and maintain all logical trunk groups prescribed by Sections 5.0 and 6.0.

4.2.4 Ameritech shall designate a manhole or other suitable entry-way immediately outside the AIWC as a Fiber-Meet entry point, and shall make all necessary preparations to receive, and to allow and enable MFS to deliver, fiber optic facilities into that manhole with sufficient spare length to reach the OLT equipment in the AIWC. MFS shall deliver and maintain such strands wholly at its own expense.

4.2.5 MFS shall designate a manhole or other suitable entry-way immediately outside the MIWC as a Fiber-Meet entry point, and shall make all necessary preparations to receive, and to allow and enable Ameritech to deliver, fiber optic facilities into that manhole with sufficient spare length to reach the OLT equipment in the MIWC. Ameritech shall deliver and maintain such strands wholly at its own expense.

4.2.6 MFS shall pull the fiber optic strands from the MFS-designated manhole/entry-way into the MIWC and through appropriate internal conduits MFS utilizes for fiber optic facilities and shall connect the Ameritech strands to the OLT equipment MFS has installed in the MIWC.

4.2.7 Ameritech shall pull the fiber optic strands from the Ameritech-designated manhole/entry-way into the AIWC and through appropriate internal conduits Ameritech utilizes for fiber optic facilities and shall connect the MFS strands to the OLT equipment Ameritech has installed in the AIWC.

4.2.8 Each Party shall use its best efforts to ensure that fiber received from the other Party will enter the Party's Wire Center through a point separate from that which the Party's own fiber exited.

4.2.9 The Parties shall jointly coordinate and undertake maintenance of the SONET transmission system. Each Party shall be responsible for maintaining the components of the SONET transmission system as illustrated on Exhibit B.

4.3 Interim Alternative Physical Architecture

4.3.1 Either Party may unilaterally elect, by providing notice to the other Party not less than seventy-five (75) days in advance of an applicable Interconnection Activation Date, to interconnect on or before such Interconnection Activation Date via an electrical DS3 (or multiples thereof) interface instead of the SONET transmission system for an interim period (the "Interim Period") not to exceed one-hundred and eighty (180) days after the Interconnection Activation Date.

4.3.2 The Party which did not elect such alternative architecture shall have the option of specifying that such alternative architecture shall occur over a Collocation at either Party's premises in accordance with Section 12.0 or any other arrangement to which the Parties may agree.

4.3.3 During any Interim Period, specific logical trunk groups (and traffic routing parameters) will be configured over the alternate physical architecture for transmission and routing of Telephone Exchange Service traffic and for transmission and routing of Exchange Access traffic pursuant to Section 5.0 and Section 6.0, respectively.

4.3.4 During any Interim Period, neither Party shall charge the other Party for Collocation Cross Connection for trunk groups delivered via Collocation.

4.3.5 Unless otherwise mutually agreed, the Parties shall transition to a SONET transmission system for the applicable LATA pursuant to Section 4.2 no later than the last day of the Interim Period.

4.4 Technical Specifications

4.4.1 MFS and Ameritech shall work cooperatively to install and maintain a reliable network. MFS and Ameritech shall exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government and such other information as the Parties shall mutually agree) to achieve this desired reliability.

4.4.2 MFS and Ameritech shall work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

4.4.3 The following list of publications describe the practices, procedures, specifications and interfaces generally utilized by Ameritech and are listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Electrical/Optical Interfaces:

- (a) Bellcore Technical Publication TR-INS-000342; High Capacity Digital Special Access Service, Transmission Parameter Limits and Interface Combinations; and
- (b) Ameritech Technical Publication AM-TR-TMO-000072; Service Description and Interface Requirements for Ameritech's Optical Service.

4.5 Interconnection in Additional LATAs

4.5.1 If MFS determines to offer Telephone Exchange Services in any other LATA in which Ameritech also offers Telephone Exchange Services, MFS shall provide written

notice to Ameritech of the need to establish Interconnection in such LATA pursuant to this Agreement.

4.5.2 The notice provided in Section 4.5.1 shall include (i) the initial Routing Point MFS has designated in the new LATA; (ii) MFS' requested Interconnection Activation Date; and (iii) a non-binding forecast of MFS' trunking requirements.

4.5.3 Unless otherwise agreed by the Parties, the Parties shall designate the Wire Center MFS has identified as its initial Routing Point in the LATA as the MIWC in that LATA and shall designate the Ameritech Tandem Office Wire Center within the LATA nearest to the MIWC (as measured in airline miles utilizing the V&H coordinates method) as the AIWC in that LATA.

4.5.4 Unless otherwise agreed by the Parties, the Interconnection Activation Date in each new LATA shall be the earlier of (i) the date mutually agreed by the Parties and (ii) the date that is one-hundred and fifty (150) days after the date on which MFS delivered notice to Ameritech pursuant to Section 4.5.1. Within ten (10) business days of Ameritech's receipt of MFS' notice, Ameritech and MFS shall confirm the AIWC, the MIWC and the Interconnection Activation Date for the new LATA by attaching a supplementary schedule to Schedule 3.0.

5.0 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC PURSUANT TO SECTION 251(c)(2)

5.1 Scope of Traffic

Section 5.0 prescribes parameters for trunk groups (the "Local/IntraLATA Trunks") to be effected over the Interconnections specified in Section 4.0 for the transmission and routing of Local Traffic and IntraLATA Toll Traffic between the Parties' respective Telephone Exchange Service Customers and where such traffic is not presubscribed for carriage by a third party carrier.

5.2 Switching System Hierarchy

5.2.1 For purposes of this Section 5.0, each of the following Central Office Switches shall be designated as a "Primary Switch":

- (a) Each Access Tandem Ameritech operates in the LATA;
- (b) The initial switch MFS employs to provide Telephone Exchange Service in the LATA;
- (c) Any Access Tandem MFS may establish for provision of Exchange Access in the LATA; and
- (d) Any additional switch MFS may subsequently employ to provide Telephone Exchange Service in the LATA which MFS may at its sole

5.7.2 Measurement of billing minutes shall be in actual conversation seconds.

5.8 Reciprocal Compensation Arrangements -- Section 251(b)(5).

5.8.1 Reciprocal Compensation applies for transport and termination of Local Traffic billable by Ameritech or MFS which a Telephone Exchange Service Customer originates on Ameritech's or MFS' network for termination on the other Party's network.

5.8.2 The Parties shall compensate each other for transport and termination of Local Traffic at the rates provided in the Pricing Schedule.

5.8.3 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service. All Switched Exchange Access Service and all IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state tariffs.

5.8.4 Each Party shall charge the other Party its effective tariffed intraLATA FGD switched access rates for the transport and termination of all IntraLATA Toll Traffic.

5.8.5 Compensation for transport and termination of all traffic which has been subject to performance of INP by one Party for the other Party pursuant to Section 13.0 shall be as specified in Section 13.5.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(c)(2).

6.1 Scope of Traffic

Section 6.0 prescribes parameters for certain trunk groups ("Access Toll Connecting Trunks") to be established over the Interconnections specified in Section 4.0 for the transmission and routing of Exchange Access traffic between MFS Telephone Exchange Service Customers and Interexchange Carriers.

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 The Parties shall jointly establish Access Toll Connecting Trunks by which they will jointly provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic from/to MFS' Customers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow MFS' Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to an Ameritech Access Tandem.

option designate as a Primary Switch; provided that the total number of MFS Primary Switches for a LATA may not exceed the total number of Ameritech's Primary Switches for that LATA. To the extent MFS chooses to designate any additional switch as a Primary Switch, it shall provide notice to Ameritech of such designation at least ninety (90) days in advance of the date on which MFS activates such switch as a Primary Switch.

5.2.2 Each Central Office Switch operated by the Parties which is not designated as a Primary Switch pursuant to Section 5.2.1 shall be designated as a "Secondary Switch".

5.2.3 For purposes of MFS routing traffic to Ameritech, sub-tending arrangements between Ameritech Primary Switches and Ameritech Secondary Switches shall be the same as the Access Tandem/End Office sub-tending arrangements which Ameritech maintains for those switches. For purposes of Ameritech routing traffic to MFS, sub-tending arrangements between MFS Primary Switches and MFS Secondary Switches shall be the same as the Access Tandem/End Office sub-tending arrangements which MFS maintains for those switches.

5.3 Trunk Group Architecture and Traffic Routing

The Parties shall jointly engineer and configure Local/IntraLATA Trunks over the physical Interconnection arrangements as follows:

5.3.1 The Parties shall initially configure a separate two-way trunk group as a direct transmission path between each MFS Primary Switch and each Ameritech Primary Switch.

5.3.2 Notwithstanding anything to the contrary in this Section 5.0, if the two-way traffic volumes between any two Central Office Switches (whether Primary-Primary, Primary-Secondary or Secondary-Secondary) at any time exceeds the CCS busy hour equivalent of one DS1, the Parties shall within sixty (60) days after such occurrence add trunks or establish new direct trunk groups consistent with the grades of service and quality parameters set forth in the Joint Grooming Plan; provided, however, nothing in this Section 5.3 shall require a Party to establish new direct trunk groups on or before the date which is one-hundred and twenty (120) days after the applicable Interconnection Activation Date; provided, however, that if such traffic volume is exceeded within such one-hundred and twenty (120) day period, such Party shall establish new direct trunk groups on the date which is the later of (i) sixty (60) days after such occurrence or (ii) one-hundred and twenty-one (121) days after the Interconnection Activation Date.

5.4 Interim Use of 1-Way Trunks

Either Party may unilaterally elect, by providing notice to the other Party not less than seventy-five (75) days in advance of an applicable Interconnection Activation Date, to employ 1-way trunk groups for an interim period (the "1-Way Trunk Period") not to exceed one-hundred and twenty (120) days after the Interconnection Activation Date; provided that the Parties shall

transition all 1-way trunks established under this Section 5.4 to 2-way trunks on or before the last day of such 1-Way Trunk Period.

5.5 Signaling

5.5.1 Where available, CCIS signaling shall be used by the Parties to set up calls between the Parties' Telephone Exchange Service networks. If CCIS signaling is unavailable, MF (Multi-Frequency) signaling shall be used by the Parties. Each Party shall charge the other Party equal and reciprocal rates for CCIS signaling in accordance with applicable tariffs. During the term of this Agreement neither Party shall charge the other Party additional usage-sensitive rates for SS7 queries made for Local Traffic.

5.5.2 The following list of publications describe the practices, procedures and specifications generally utilized by Ameritech for signaling purposes and are listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Signaling:

- (a) Bellcore Special Report SR-TSV-002275, BOC Notes on the LEC Networks - Signaling.
- (b) Ameritech Supplement AM-TR-OAT-000069, Common Channel Signaling Network Interface Specifications.

5.5.3 The Parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate interoperability of CCIS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its Customers. All CCIS signaling parameters will be provided including, without limitation, calling party number (CPN), originating line information (OLI), calling party category and charge number.

5.5.4 Where available and upon the request of the other Party, each Party shall cooperate to ensure that its trunk groups are configured utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

5.6 Grades of Service

The Parties shall initially engineer and shall jointly monitor and enhance all trunk groups consistent with the Joint Grooming Plan.

5.7 Measurement and Billing

5.7.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on each call carried over the Local/IntraLATA Trunks; provided that so long as the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of use of calls exchanged with CPN information.

6.2.3 The Access Toll Connecting Trunks shall be two-way trunks connecting an End Office Switch MFS utilizes to provide Telephone Exchange Service and Switched Exchange Access in a given LATA to an Access Tandem Switch Ameritech utilizes to provide Exchange Access in such LATA.

6.2.4 The Parties shall jointly determine which Ameritech access Tandem(s) will be sub-tended by each MFS End Office Switch. Except as otherwise agreed by the Parties, Ameritech shall allow each MFS End Office Switch to subtend the access Tandem nearest to the Routing Point associated with the NXX codes assigned to that End Office Switch and shall not require that a single MFS End Office Switch subtend multiple access Tandems, even in those cases where such End Office Switch serves multiple Rate Centers.

6.3 Meet-Point Billing Arrangements

Meet-Point Billing arrangements between the Parties for jointly-provided Switched Exchange Access Services on Access Toll Connecting Trunks will be governed by the terms and conditions of the Agreement For Switched Access Meet Point Billing and shall be billed at each Party's applicable switched access rates.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 Information Services Traffic

7.1.1 Each Party shall route Information Service Traffic which originates on its own network to the appropriate information services platform(s) connected to the other Party's network over the Local/IntraLATA Trunks.

7.1.2 The Party ("Originating Party") on whose network the Information Services Traffic originated shall provide an electronic file transfer or monthly magnetic tape containing recorded call detail information to the Party ("Terminating Party") to whose information platform the Information Services Traffic terminated.

7.1.3 The Terminating Party shall provide to the Originating Party via electronic file transfer or magnetic tape all necessary information to rate the Information Services Traffic to the Originating Party's Customers pursuant to the Terminating Party's agreements with each information provider.

7.1.4 The Originating Party shall bill and collect such information provider charges and remit the amounts collected to the Terminating Party less:

- (a) The Information Services Billing and Collection fee set forth on the Pricing Schedule; and
- (b) An uncollectibles reserve calculated based on the uncollectibles reserve in the Terminating Party's billing and

collection agreement with the applicable information provider; and

- (c) Customer adjustments provided by the Originating Party.

The Originating Party shall provide to the Terminating Party sufficient information regarding uncollectibles and Customer adjustments. The Terminating Party shall pass through the adjustments to the information provider. However, if the information provider disputes such adjustments and refuses to accept such adjustments, the Originating Party shall reimburse the Terminating Party for all such disputed adjustments. Final resolution regarding all disputed adjustments shall be solely between the Originating Party and the information provider.

7.1.5 Nothing in this Agreement shall restrict either Party from offering to its Exchange Service Customers the ability to block the completion of Information Service Traffic.

7.2 BLV/BLVI Traffic

7.2.1 Busy Line Verification ("BLV") is performed when one Party's Customer requests assistance from the operator bureau to determine if the called line is in use, however, the operator bureau will not complete the call for the Customer initiating the BLV inquiry. Only one BLV attempt will be made per Customer operator bureau call, and a charge shall apply whether or not the called party releases the line.

7.2.2 Busy Line Verification Interrupt ("BLVI") is performed when one Party's operator bureau interrupts a telephone call in progress after BLV has occurred. The operator bureau will interrupt the busy line and inform the called party that there is a call waiting. The operator bureau will only interrupt the call and will not complete the telephone call of the Customer initiating the BLVI request. The operator bureau will make only one BLVI attempt per Customer operator telephone call and the applicable charge applies whether or not the called party releases the line.

7.2.3 Each Party's operator bureau shall accept BLV and BLVI inquiries from the operator bureau of the other Party in order to allow transparent provision of BLV/BLVI Traffic between the Parties' networks.

7.2.4 Each Party shall route BLV/BLVI Traffic inquiries over separate direct trunks (and not the Local/IntraLATA Trunks) established between the Parties' respective operator bureaus. Unless otherwise mutually agreed, the Parties shall configure BLV/BLVI trunks over the Interconnection architecture defined in Section 4.0, consistent with the Joint Grooming Plan. Each Party shall compensate the other Party for BLV/BLVI Traffic as set forth on the Pricing Schedule.

7.3 Transit Service

7.3.1 Although Ameritech believes it is not required to provide Transit Service under the Act, Ameritech agrees that it shall provide Transit Service to MFS on the terms and conditions set forth in this Section 7.3.

7.3.2 "Transit Service" means the delivery of certain traffic between MFS and a third party LEC by Ameritech over the Local/IntraLATA Trunks. The following traffic types will be delivered: (i) Local Traffic originated from MFS to such third party LEC and (ii) IntraLATA Toll Traffic originated from such third party LEC and terminated to MFS where Ameritech carries such traffic pursuant to the Commission's primary toll carrier plan or other similar plan.

7.3.3 Subject to Section 7.3.4, the Parties shall compensate each other for Transit Service as follows:

- (a) MFS shall pay Ameritech for Local Traffic MFS originates over the Transit Service at the rate specified in the Pricing Schedule plus any additional charges or costs such terminating third party LEC imposes or levies on Ameritech for the delivery or termination of such traffic, including any switched access charges; and
- (b) Ameritech shall pay MFS for IntraLATA Toll Traffic terminated to MFS from such third party LEC (where Ameritech delivers such traffic pursuant to the Commission's primary toll carrier plan or other similar plan) at MFS' applicable switched access rates.

7.3.4 While the Parties agree that it is the responsibility of each third party LEC to enter into arrangements to deliver Local Traffic to MFS, they acknowledge that such arrangements are not currently in place and an interim arrangement is necessary to ensure traffic completion. Accordingly, until the earlier of (i) the date on which either Party has entered into an arrangement with such third party LEC to deliver Local Traffic to MFS and (ii) one-hundred and eighty (180) days after the Interconnection Activation Date, Ameritech will deliver and MFS will terminate Local Traffic originated from such third party LEC without charge to one another. If an arrangement is not entered into by the 180th day, either Party may block such Local Traffic.

7.3.5 Ameritech expects that all networks involved in transit traffic will deliver each call to each involved network with CCIS and the appropriate Transactional Capabilities Application Part ("TCAP") message to facilitate full interoperability and billing functions. In all cases, MFS is responsible to follow the Exchange Message Record ("EMR") standard and exchange records with both Ameritech and the terminating LEC to facilitate the billing process to the originating network.

of PBX trunks, pay telephone lines and electronic key system lines. Analog 2W will be provided in accordance with the specifications, interfaces, and parameters described in Technical References AM TR-TMO-000122, Ameritech Unbundled Analog Loops;

9.1.2 "4-Wire Analog Voice Grade Loops" or "Analog 4W" which support transmission of voice grade signals using separate transmit and receive paths and terminate in a 4-wire electrical interface. Analog 4W will be provided in accordance with the specifications, interfaces, and parameters described in Technical References AM TR-TMO-000122, Ameritech Unbundled Analog Loops;

9.1.3 "2-Wire ISDN Digital Grade Links" or "BRI ISDN" which support digital transmission of two 64 kbps bearer channels and one 16 kbps data channel. BRI ISDN is a 2B+D Basic Rate Interface-Integrated Services Digital Network (BRI-ISDN) Loop which will meet national ISDN standards and conform to AM-TR-TMO-000123, Ameritech Unbundled Digital Loops (including ISDN).

9.1.4 "2-Wire ADSL-Compatible Loop" or "ADSL 2W" is a transmission path which facilitates the transmission of up to a 6 Mbps digital signal downstream (toward the Customer) and up to a 640 kbps digital signal upstream (away from the Customer) while simultaneously carrying an analog voice signal. An ADSL-2W is provided over a 2-Wire non-loaded twisted copper pair provisioned using revised resistance design guidelines and meeting ANSI Standard T1.413-1995-007R2. An ADSL-2W terminates in a 2-wire electrical interface at the Customer premises and at the Ameritech Central Office frame. ADSL technology can only be deployed over Loops which extend less than 18 Kft. from Ameritech's Central Office. ADSL compatible Loops are only available where existing copper facilities can meet the ANSI T1.413-1995-007R2 specifications.

9.1.5 "2-Wire HDSL-Compatible Loop" or "HDSL 2W" is a transmission path which facilitates the transmission of a 768 kbps digital signal over a 2-Wire non-loaded twisted copper pair meeting the specifications in ANSI T1E1 Committee Technical Report Number 28. HDSL compatible Loops are available only where existing copper facilities can meet the T1E1 Technical Report Number 28 specifications.

9.1.6 "4-Wire HDSL-Compatible Loop" or "HDSL 4W" is a transmission path which facilitates the transmission of a 1.544 Mbps digital signal over two 2-Wire non-loaded twisted copper pairs meeting the specifications in ANSI T1E1 Committee Technical Report Number 28. HDSL compatible Loops are available only where existing copper facilities can meet the specifications.

9.1.7 Loops will be offered hereunder on the terms and conditions specified herein and on such other terms in applicable tariffs that are not inconsistent with the terms and conditions set forth herein and, at the rates set forth in the Pricing Schedule.

7.3.6 For purposes of this Section 7.3, Ameritech agrees that it shall make available to MFS, at MFS' sole option, any transiting arrangement Ameritech's offers to another LEC at the same rates, terms and conditions provided to such other LEC.

8.0 JOINT GROOMING PLAN AND INSTALLATION, MAINTENANCE, TESTING AND REPAIR.

8.1 **Joint Grooming Plan.** On or before August 16, 1996, MFS and Ameritech shall jointly develop a grooming plan (the "Joint Grooming Plan") which shall define and detail, inter alia,

- (a) standards to ensure that Interconnection trunk groups experience a grade of service, availability and quality which is comparable to that achieved on interoffice trunks within Ameritech's network and in accord with all appropriate relevant industry-accepted quality, reliability and availability standards;
- (b) the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the trunk groups, including but not limited to standards and procedures for notification and discoveries of trunk disconnects;
- (c) maintenance of the SONET transmission system;
- (d) disaster recovery provision escalations; and
- (e) such other matters as the Parties may agree.

8.2 **Installation, Maintenance, Testing and Repair.** Ameritech's standard intervals for Feature Group D Exchange Access Services will be used for Interconnection as specified in the Ameritech Dedicated and Switched Common Service Switched Access and Exchange Interval Guide, AM-TR-MKT-000066. MFS shall meet the same intervals for comparable installations, maintenance, joint testing, and repair of its facilities and services associated with or used in conjunction with Interconnection or shall notify Ameritech of its inability to do so and will negotiate such intervals in good faith.

9.0 UNBUNDLED ACCESS -- SECTION 251(c)(3).

9.1 Local Loop Transmission Types

Subject to Section 9.4, Ameritech shall allow MFS to access the following Loop types (in addition to those Loops available under applicable tariffs) unbundled from local switching and local transport in accordance with the terms and conditions set forth in this Section 9.1:

9.1.1 "2-Wire Analog Voice Grade Loops" or "Analog 2W" which support analog transmission of 300-3000 Hz, repeat loop start, loop reverse battery, or ground start seizure and disconnect in one direction (toward the End Office Switch), and repeat ringing in the other direction (toward the Customer). Analog 2W include Loops sufficient for the provision

9.2 Port Types

Ameritech shall make available to MFS unbundled Ports in accordance with the terms and conditions of and at the rates specified in applicable state tariffs.

9.3 Private Lines and Special Access

Ameritech shall make available to MFS private lines and special access services in accordance with the terms and conditions of and at the rates specified in applicable tariffs.

9.4 Limitations on Unbundled Access

9.4.1 MFS may not cross-connect an Ameritech-provided Loop to an Ameritech-provided Port but instead shall purchase a network access line under applicable tariffs.

9.4.2 Ameritech shall only be required to make available Loops and Ports where such Loops and Ports are available.

9.4.3 MFS shall access Ameritech's unbundled Network Elements via Collocation in accordance with Section 12 at the Ameritech Wire Center where those elements exist and each Loop or Port shall be delivered to MFS' Collocation by means of a Cross Connection which in the case of Loops, is included in the rates set forth in the Pricing Schedule.

9.4.4 Ameritech shall provide MFS access to its unbundled Loops at each of Ameritech's Wire Centers. In addition, if MFS requests one or more Loops serviced by Integrated Digital Loop Carrier or Remote Switching technology deployed as a Loop concentrator, Ameritech shall, where available, move the requested Loop(s) to a spare, existing physical Loop at no charge to MFS. If, however, no spare physical Loop is available, Ameritech shall within forty-eight (48) hours of MFS' request notify MFS of the lack of available facilities. MFS may then at its discretion make a Network Element Bona Fide Request for Ameritech to provide the unbundled Loop through the demultiplexing of the integrated digitized Loop(s). MFS may also make a Network Element Bona Fide Request for access to unbundled Loops at the Loop concentration site point. Notwithstanding anything to the contrary in this Agreement, the provisioning intervals set forth in Section 9.6 and the Performance Interval Dates and Performance Criteria set forth in Section 26.1 shall not apply to unbundled Loops provided under this Section 9.4.4.

9.4.5 If MFS orders a Loop type and the distance requested on such Loop exceeds the transmission characteristics as referenced in the corresponding Technical Reference specified below, distance extensions may be required and additional rates and charges shall apply as set forth on the Pricing Schedule.

Loop Type	Technical Reference/Limitation
Electronic Key Line	2.5 miles
ISDN	Belcore TA-NWT-000393
HDSL 2W	T1E1 Technical Report Number 28
HDSL 4W	T1E1 Technical Report Number 28
ADSL 2W	ANSI T1.413-1995 Specification

9.5 Availability of Other Network Elements on an Unbundled Basis

9.5.1 Ameritech shall, upon request of MFS, and to the extent technically feasible, provide to MFS access to its Network Elements for the provision of MFS' Telecommunications Service. Any request by MFS for access to an Ameritech Network Element that is not already available shall be treated as a Network Element Bona Fide Request. MFS shall provide Ameritech access to its Network Elements as mutually agreed by the Parties or as required by the Commission or FCC.

9.5.2 A Network Element obtained by one Party from the other Party under this Section 9.5 may be used in combination with the facilities of the requesting Party only to provide a Telecommunications Service, including obtaining billing and collection, transmission, and routing of the Telecommunications Service.

9.5.3 Notwithstanding anything to the contrary in this Section 9.5, a Party shall not be required to provide a proprietary Network Element to the other Party under this Section 9.5 except as required by the Commission or FCC.

9.6 Provisioning of Unbundled Loops

The following coordination procedures shall apply for conversions of "live" Telephone Exchange Services to unbundled Network Elements:

9.6.1 MFS shall request unbundled Loops from Ameritech by delivering to Ameritech a valid electronic transmittal Service Order (a "Service Order") using the Ameritech electronic ordering system (as defined in the Unbundling Product Guide) or another mutually agreed upon system. Within forty-eight (48) hours of Ameritech's receipt of a Service Order, Ameritech shall provide MFS the firm order commitment ("FOC") date according to the applicable Performance Interval Dates set forth in Section 26.1 by which the Loop(s) covered by such Service Order will be installed.

9.6.2 Ameritech agrees to coordinate with MFS at least forty-eight hours prior to the due date a scheduled conversion date and time (the "Scheduled Conversion Time") in the

"A.M." (12:00 midnight to 12:00 noon) or "P.M." (12:00 noon to 12:00 midnight) (as applicable, the "Conversion Window").

9.6.3 Ameritech shall test for MFS dial-tone ("Dial Tone Test") on MFS's Virtual Collocation-digital Loop carrier during a window not greater than forty-eight (48) hours but not less than eight (8) hours prior to the Scheduled Conversion Time (or New Scheduled Time as applicable). Ameritech shall perform the Dial Tone Test on MFS' Virtual Collocated digital Loop carrier at no charge until June 1, 1997. Thereafter, MFS may request Ameritech to perform such Dial Tone Test on a time and materials basis at Ameritech's then current rates. Ameritech shall not perform any Dial Tone Test on any MFS Physically Collocated digital Loop carrier.

9.6.4 Not less than one hour prior to the Scheduled Conversion Time, either Party may contact the other Party and unilaterally designate a new Scheduled Conversion Time (the "New Conversion Time"). If the New Conversion Time is within the Conversion Window, no charges shall be assessed on or waived by either Party. If, however, the New Conversion Time is outside of the Conversion Window, the Party requesting such New Conversion Time shall be subject to the following:

If Ameritech requests the New Conversion Time, the applicable Line Connection Charge shall be waived; and

If MFS requests the New Conversion Time, MFS shall be assessed a Line Connection Charge in addition to the Line Connection Charge that will be incurred for the New Conversion Time.

9.6.5 Except as otherwise agreed by the Parties for a specific conversion, the Parties agree that the time interval expected from disconnection of "live" Telephone Exchange Service to the connection of an unbundled Network Element at the MFS Collocation interface point will be sixty (60) minutes or less. If a conversion interval exceeds sixty (60) minutes and such delay is caused solely by Ameritech (and not by a contributing Delaying Event (as defined in Section 26.4)), Ameritech shall waive the applicable Line Connection Charge for such element. If MFS has ordered INP with the installation of a Loop, Ameritech will coordinate the implementation of INP with the Loop conversion during the sixty (60) minute interval at no additional charge.

9.6.6 If MFS requests or approves an Ameritech technician to perform services in excess of or not otherwise contemplated by the Line Connection Service, Ameritech may charge MFS for any additional and reasonable labor charges to perform such services.

9.7 Maintenance of Unbundled Network Elements

If (i) MFS reports to Ameritech a Customer trouble, (ii) MFS requests a dispatch, (iii) Ameritech dispatches a technician, and (iv) such trouble was not caused by Ameritech's facilities or equipment, then MFS shall pay Ameritech a trip charge of \$45.00 per trouble dispatch and time charges of \$18.00 per quarter hour.

10.0 RESALE -- SECTIONS 251(c)(4) and 251(b)(1).

10.1 Availability of Wholesale Rates for Resale

Ameritech shall offer to MFS for resale at wholesale rates its local exchange telecommunications services, as described in Section 251(c)(4) of the Act, pursuant to the terms and conditions of the Ameritech Resale Local Exchange Service Confirmation of Service Order dated November 27, 1995, by and between MFS and Ameritech, on behalf of Illinois Bell Telephone Company, and applicable tariffs.

10.2 Availability of Retail Rates for Resale

Each Party shall make available its Telecommunications Services for resale at retail rates to the other Party in accordance with Section 251(b)(1) of the Act.

11.0 NOTICE OF CHANGES -- SECTION 251(c)(5).

If a Party makes a change in its network which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

12.0 COLLOCATION -- SECTION 251(c)(6).

12.1 Ameritech shall provide to MFS Physical Collocation of equipment necessary for Interconnection (pursuant to Section 4.0) or for access to unbundled Network Elements (pursuant to Section 9.0), except that Ameritech may provide for Virtual Collocation if Ameritech demonstrates to the Commission that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. Ameritech shall provide such Collocation for the purpose of Interconnection or access to unbundled Network Elements, except as otherwise mutually agreed to in writing by the Parties or as required by the FCC or the appropriate Commission subject to applicable federal and state tariffs.

12.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, MFS agrees to provide to Ameritech upon Ameritech's Network Element Bona Fide Request by Ameritech, Collocation (at MFS' option either Physical or Virtual) of equipment for purposes of Interconnection (pursuant to Section 4.0) on a non-discriminatory basis and at comparable rates, terms and conditions as MFS may provide to other third parties. MFS shall provide such Collocation subject to applicable tariffs or contracts.

12.3 Where MFS is Virtually Collocated on the Effective Date in a premises that was initially prepared for Physical Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises and expand that Virtual Collocation according to current procedures and applicable tariffs, or (ii) revert to Physical Collocation, in which case MFS shall coordinate with Ameritech for rearrangement of its equipment (transmission and IDLC) and circuits, for which Ameritech shall impose no conversion charge. All applicable Physical Collocation recurring charges shall apply.

12.4 Where MFS is Virtually Collocated in a premises which was initially prepared for Virtual Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises and expand that Virtual Collocation according to current procedures and applicable tariffs, or (ii) unless it is not practical for technical reasons or because of space limitations, convert its Virtual Collocation at such premises in which case MFS shall coordinate the construction and rearrangement with Ameritech of its equipment (ID' C and transmission) and circuits for which MFS shall pay Ameritech at applicable tariff rates. In addition, all applicable Physical Collocation recurring charges shall apply.

12.5 For both Physical Collocation and Virtual Collocation, the Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space at the Housing Party's premises as described in applicable tariffs or contracts and purchase Cross Connection to services or facilities as described in applicable tariffs or contracts.

SECTION 251(b) PROVISIONS

13.0 NUMBER PORTABILITY -- SECTION 251(b)(2).

13.1 Scope

13.1.1 The Parties shall provide Number Portability on a reciprocal basis to each other to the extent technically feasible, and in accordance with rules and regulations as from time to time prescribed by the FCC and/or the Commission.

13.1.2 Until Number Portability is implemented by the industry pursuant to regulations issued by the FCC or the Commission, the Parties agree to provide Interim Telecommunications Number Portability ("INP") to each other through remote call forwarding, direct inward dialing and NXX migration.

13.1.3 Once Number Portability is implemented pursuant to FCC or Commission regulation, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP Customer numbers to Number Portability. Upon implementation of Number Portability pursuant to FCC regulation, both Parties agree to conform and provide such Number Portability.

13.2 Procedures for Providing INP Through Remote Call Forwarding

MFS and Ameritech will provide INP through Remote Call Forwarding as follows:

13.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon receipt of a signed letter of agency from the Customer (and an associated service order) assigning the number to Party

B. Party A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Party B. Party A will route the forwarded traffic to Party B over the appropriate Local/IntraLATA Trunks as if the call had originated on Party A's network.

13.2.2 Party B will become the customer of record for the original Party A telephone numbers subject to the INP arrangements. Party A shall use its reasonable efforts to consolidate into as few billing statements as possible for all collect, calling card, and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. At Party B's sole discretion, such billing statement shall be delivered to Party B in an agreed-upon format via either electronic file transfer, daily magnetic tape, or monthly magnetic tape.

13.2.3 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers as directed by Party B.

13.2.4 Within two (2) business days of receiving notification from the Customer, Party B shall notify Party A of the Customer's termination of service with Party B, and shall further notify Party A as to that Customer's instructions regarding its telephone number(s). Party A will reinstate service to that Customer, cancel the INP arrangements for that Customer's telephone number(s), or redirect the INP arrangement to another INP-participating-LEC pursuant to the Customer's instructions at that time.

13.3 Procedures for Providing INP Through Direct Inward Dial

Upon request, Ameritech shall provide to MFS Interim Number Portability via Direct Inward Dial Trunks pursuant to applicable tariffs.

13.4 Procedures for Providing INP Through NXX Migration

Where either Party has activated an entire NXX for a single Customer, or activated a substantial portion of an NXX for a single Customer with the remaining numbers in that NXX either reserved for future use or otherwise unused, if such Customer chooses to receive service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will be accomplished with appropriate coordination between the Parties and subject to appropriate industry lead-times for movements of NXXs from one switch to another.

13.5 Receipt of Terminating Compensation on Traffic to INP'ed Numbers

The Parties agree that under INP terminating compensation on calls to INP'ed numbers should be received by each Customer's chosen LEC as if each call to the Customer had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the Customer's chosen LEC. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this Section 13.5 whereby terminating

compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for whose Customer the INP is provided.

13.5.1 The Parties shall individually and collectively track and quantify INP traffic between their networks based on the CPN of each call by identifying CPNs which are INP'ed numbers. The Receiving Party shall charge the Performing Party for each minute of INP traffic at the INP Traffic Rate specified in Section 13.5.3 in lieu of any other compensation charges for terminating such traffic.

13.5.2 By the Interconnection Activation Date in each LATA, the Parties shall jointly estimate for the prospective year, based on historic data of all traffic in the LATA, the percentages of such traffic that if dialed to telephone numbers bearing NPA-NXXs directly assigned to a Receiving Party (as opposed to the INP'ed number) would have been subject to (i) Reciprocal Compensation ("Recip Traffic"), (ii) intrastate FGD charges ("Intra Traffic"), (iii) interstate FGD charges ("Inter Traffic"), or (iv) handling as Local Traffic under transiting arrangements between the Parties ("Transit Traffic"). On the date which is six (6) months after the Interconnection Activation Date, and thereafter on each succeeding six month anniversary of such Interconnection Activation Date, the Parties shall establish new INP traffic percentages to be applied in the prospective six (6) month period, based on actual INP traffic percentages from the preceding six (6) month period.

13.5.3 The INP Traffic Rate shall be equal to the sum of:

(Recip Traffic percentage times the Reciprocal Compensation Rate set forth in the Pricing Schedule) plus (Intra Traffic percentage times Ameritech's effective intrastate FGD rates) plus (Inter Traffic percentage times Ameritech's effective interstate FGD rates).

A rate of zero shall be applied to the Transit Traffic percentage on the assumption that some portion of such Transit Traffic would otherwise be subject to other compensation arrangements and to account for a reasonable level of uncollectibles on terminating compensation. Interstate and intrastate FGD rates shall be calculated utilizing the effective interstate and intrastate carrier common line (CCL) rates, residual interconnection charge (RIC) rate elements, local switching (LS) rate elements, one-half the local transport termination (LTT) rate elements, and one-half the local transport facility (LTF) rate elements (assuming a five (5) mile LTF).

14.0 DIALING PARITY -- SECTION 251(b)(3).

The Parties shall provide Local Dialing Parity to each other as required under Section 251(b)(3) of the Act.

15.0 ACCESS TO RIGHTS-OF-WAY – SECTION 251(b)(4).

Each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it controls on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable tariffs and/or standard agreements.

16.0 DATABASE ACCESS.

In accordance with Section 271 of the Act, Ameritech shall provide MFS with interfaces to access Ameritech's databases and associated signaling necessary for the routing and completion of MFS' traffic. Access to such databases, and the appropriate interfaces, shall be made available to MFS via a Network Element Bona Fide Request.

17.0 REFERRAL ANNOUNCEMENT.

When a Customer changes its service provider from Ameritech to MFS, or from MFS to Ameritech, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the Customer's new number. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer, for a period of not less than four (4) months after the date the Customer changes its telephone number in the case of business Customers and not less than sixty (60) days after the date the Customer changes its telephone number in the case of residential Customers. However, if either Party provides Referral Announcements for a period longer than the above respective periods when its Customers change their telephone numbers, such Party shall provide the same level of service to Customers of the other Party.

18.0 OTHER SERVICES.

MFS and Ameritech provide other services to each other as required under the Act pursuant to the following Agreements:

- (a) Agreement by and between MFS Intelenet, Inc. and Ameritech for Enhanced 9-1-1 Service, dated March 13, 1996;
- (b) Directory Assistance Services Agreement dated March 13, 1996; and
- (c) Listing and Directory Services Agreement between Dontech and MFS Intelenet, Inc., dated May 17, 1996.

GENERAL PROVISIONS

19.0 GENERAL RESPONSIBILITIES OF THE PARTIES.

19.1 Each of Ameritech and MFS shall use its best efforts to comply with the Implementation Schedule.

19.2 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the Interconnections required to assure traffic completion to and from all Customers in their respective designated service areas. MFS, for the purpose of ubiquitous connectivity, network diversity and alternate routing, shall connect to at least one Tandem Office Switch for the receipt/completion of traffic to any Ameritech End Office Switches.

19.3 Thirty (30) days after the Effective Date and each month during the term of this Agreement, each Party shall provide the other Party with a rolling, six (6) calendar month, non-binding forecast of its traffic and volume requirements for the services and Network Elements provided under this Agreement in the form and in such detail as agreed by the Parties. Notwithstanding Section 28.6.1, the Parties agree that each forecast provided under this Section 19.3 shall be deemed "Proprietary Information" under Section 28.6.

19.4 Any Party that is required pursuant to this Agreement to provide a forecast (the "Forecast Provider") or the Party that is entitled pursuant to this Agreement to receive a forecast (the "Forecast Recipient") with respect to traffic and volume requirements for the services and Network Elements provided under this Agreement may request in addition to non-binding forecasts required by Section 19.3 that the other enter into negotiations to establish a forecast (a "Binding Forecast") that commits such Forecast Provider to purchase, and such Forecast Recipient to provide, a specified volume to be utilized as set forth in such Binding Forecast. The Forecast Provider and Forecast Recipient shall negotiate the terms of such Binding Forecast in good faith and shall include in such Binding Forecast provisions regarding price, quantity, liability for failure to perform under a Binding Forecast and any other terms desired by such Forecast Provider and Forecast Recipient. Notwithstanding Section 28.6.1, the Parties agree that each forecast provided under this Section 19.4 shall be deemed "Proprietary Information" under Section 28.6.

19.5 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with Ameritech's network and to terminate the traffic it receives in that standard format to the proper address on its network. Such facility shall be designed based upon the description and forecasts provided under Sections 19.2 and 19.3 above. The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan.

19.6 Neither Party shall use any service related to or using any of the Services provided in this Agreement in any manner that interferes with other persons in the use of their

service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's Customers, and either Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice, if practicable, at the earliest practicable time.

19.7 Each Party is solely responsible for the services it provides to its Customers and to other Telecommunications Carriers.

19.8 The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

19.9 Each Party is responsible for administering NXX codes assigned to it.

19.10 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of CLLI codes assigned to its switches.

19.11 Each Party shall use the LERG published by Bellcore or its successor for obtaining routing information and shall provide all required information to Bellcore for maintaining the LERG in a timely manner.

19.12 Each Party shall program and update its own Central Office Switches and End Office switches and network systems to recognize and route traffic to and from the other Party's assigned NXX codes. Except as mutually agreed or as otherwise expressly defined in this Agreement, neither Party shall impose any fees or charges on the other Party for such activities.

19.13 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g., workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage for bodily injury for property damage. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self insurance).

19.14 In addition to its indemnity obligations under Section 25.3, each Party shall provide, in its tariffs and contracts with its Customers that relate to any Telecommunications Service or Network Element provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such parties be liable to any Customer or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable Customer for the service(s) or function(s) that gave rise to such Loss, and (ii) any Consequential Damages (as defined in Section 24.3 below).

20.0 TERM AND TERMINATION.

20.1 The initial term of this Agreement shall be three (3) years (the "Term") which shall commence on the Effective Date. Absent the receipt by one Party of written notice from the other Party at least sixty (60) days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term of this Agreement, this Agreement shall automatically renew and remain in full force and effect on and after the expiration of the Term until terminated by either Party pursuant to Section 20.3.

20.2 Either Party may terminate this Agreement in the event that the other Party (i) fails to pay any amount when due hereunder (excluding Disputed Amounts pursuant to Section 28.11) and fails to cure such nonpayment within sixty (60) days after receipt of written notice thereof; or (ii) fails to perform any other material obligation required to be performed by it pursuant to this Agreement and fails to cure such material nonperformance within forty-five (45) days after written notice thereof.

20.3 If pursuant to Section 20.1 this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement (90) days after delivering written notice to the other Party of its intention to terminate this Agreement. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 20.3 other than to pay to the other Party any amounts owed under this Agreement.

20.4 Upon termination or expiration of this Agreement in accordance with this Section 20.0:

(a) each Party shall comply immediately with its obligations set forth in Section 28.6.3;

(b) each Party shall continue to perform its obligations and provide the services as described herein until such time as a successor agreement between the Parties is entered into; provided, however, that the Parties shall renegotiate the rates, fees and charges contained herein; and

(c) each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement.

20.5 Except as set forth in Section 26.5, no remedy set forth in this Agreement is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under applicable law or otherwise.

21.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED

WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

22.0 CANCELLATION CHARGES.

Except as provided in Sections 9.6.4 and 19.4 and pursuant to a Network Element Bona Fide Request, or as otherwise provided in any applicable tariff or contract referenced herein, no cancellation charges shall apply.

23.0 NON-SEVERABILITY.

23.1 The services, arrangements, Interconnection, Network Elements, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be non-severable, subject only to Section 28.14 of this Agreement.

23.2 Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

24.0 INDEMNIFICATION.

24.1 Each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the services and facilities provided by the other Party, its agents, subcontractors, or others retained by such parties.

24.2 Except as otherwise provided in Sections 24.3, 24.4 and 25.2, and to the extent not prohibited by law and not otherwise controlled by tariff, each Party (the "Indemnifying Party") shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any Loss to a third party arising out of the negligence or willful misconduct by such Indemnifying Party, its agents, its Customers, contractors, or others retained by such parties, in connection with its provision of services or functions under this Agreement.

24.3 In the case of any Loss alleged or made by a Customer of either Party, the Party ("Indemnifying Party") whose Customer alleged or made such Loss shall defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any or all of such Loss alleged by each and every Customer.

24.4 Each Party ("Indemnified Party") shall be indemnified, defended and held harmless by the other Party ("Indemnifying Party") against any Loss arising from such Indemnifying Party's use of services offered under this Agreement, involving:

- (1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's Customers; or

(2) Claims for patent, trademark, copyright infringement or other infringement of intellectual property rights, arising from the Indemnifying Party's acts combining or using the service furnished by the Indemnified Party in connection with facilities or equipment furnished by the Indemnifying Party or its Customers, agents, subcontractors or others retained by such parties.

24.5 The Indemnifying Party agrees to defend any suit brought against the Indemnified Party for any Loss identified in this Section 24.0. The Indemnified Party agrees to notify the Indemnifying Party promptly in writing of any written claims, lawsuits, or demand for which such Indemnifying Party is or may be responsible and of which the Indemnified Party has knowledge and to cooperate in every reasonable way to facilitate defense or settlement of claims. The Indemnifying Party shall have the exclusive right to control and conduct the defense and settlement of any such actions or claims subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

25.0 LIMITATION OF LIABILITY.

25.1 Except as otherwise provided in Section 24.0, no Party shall be liable to the other Party for any Loss, defect or equipment failure caused by the conduct of the other Party, the other Party's agents, servants, contractors or others acting in aid or concert with the other Party.

25.2 Except for Losses alleged or made by a Customer of either Party, in the case of any Loss arising from the negligence or willful misconduct of both Parties, each Party shall bear, and its obligations under this Section 25.0 shall be limited to, that portion (as mutually agreed to by the Parties) of the resulting expense caused by its (including that of its agents, servants, contractors or others acting in aid or concert with it) negligence or willful misconduct.

25.3 Except for indemnity obligations under Sections 24.2 and 24.4, each Party's liability to the other Party for any Loss relating to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the total amount that is or would have been charged to the other Party by such negligent or breaching Party for the service(s) or function(s) not performed or improperly performed.

25.4 In no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages; provided, that the foregoing shall not limit a Party's obligation under Section 24.2 to indemnify, defend and hold the other Party harmless against any amounts payable to a third party, including any losses, costs, fines, penalties, criminal or civil judgments or settlements, expenses (including attorneys' fees) and Consequential Damages of such third party.

26.0 LIQUIDATED DAMAGES FOR SPECIFIED ACTIVITIES.

26.1 Certain Definitions. When used in this Section 26.0, the following terms shall have the meanings indicated:

26.1.1 "Specified Performance Breach" means the failure by Ameritech to meet the Performance Criteria for any Specified Activity for a period of three (3) consecutive calendar months.

26.1.2 "Specified Activity" means any of the following activities:

- (i) the installation by Ameritech of unbundled Loops for MFS ("Unbundled Loop Installation");
- (ii) Ameritech's provision of Interim Telecommunications Number Portability; or
- (iii) the repair of out of service problems for MFS ("Out of Service Repairs").

26.1.3 Performance Criteria" means, with respect to each calendar month during the term of this Agreement, the performance by Ameritech during such month of each Specified Activity shown below within the time interval shown in at least eighty percent (80%) of the covered instances:

SPECIFIED ACTIVITY	PERFORMANCE INTERVAL DATE
(i) <u>Unbundled Loop Installation</u>	
1-10 Loops per Service Order	5 days from Ameritech's Receipt of valid Service Order
11-20 Loops per Service Order	10 days from Ameritech's Receipt of valid Service Order
21+ Loops per Service Order	to be Negotiated
(ii) <u>Interim Number Portability</u>	
1-10 Numbers per Service Order	5 days from Ameritech's Receipt of valid Service Order
11-20 Numbers per Service Order	10 days from Ameritech's Receipt of valid Service Order
21+ Numbers per Service Order	to be Negotiated
(iii) <u>Out-of-Service Repairs</u>	Less than 24 hours from Ameritech's Receipt of Notification of Out-of-Service Condition

26.2 Specified Performance Breach. In recognition of the (1) loss of Customer opportunities, revenues and goodwill which MFS might sustain in the event of a Specified Performance Breach; (2) the uncertainty, in the event of such a Specified Performance Breach, of MFS having available to it customer opportunities similar to those opportunities currently available to MFS; and (3) the difficulty of accurately ascertaining the amount of damages MFS would sustain in the event of such a Specified Performance Breach, Ameritech agrees to pay MFS, subject to Section 26.4 below, damages as set forth in Section 26.3 below in the event of the occurrence of a Specified Performance Breach.

26.3 Liquidated Damages. The damages payable by Ameritech to MFS as a result of a Specified Performance Breach shall be \$75,000 for each Specified Performance Breach (collectively, the "Liquidated Damages"). MFS and Ameritech agree and acknowledge that (a) the Liquidated Damages are not a penalty and have been determined based upon the facts and circumstances of MFS and Ameritech at the time of the negotiation and entering into of this Agreement, with due regard given to the performance expectations of each Party; (b) the Liquidated Damages constitute a reasonable approximation of the damages MFS would sustain if its damages were readily ascertainable; and (c) MFS shall not be required to provide any proof of the Liquidated Damages.

26.4 Limitations. In no event shall Ameritech be liable to pay the Liquidated Damages if Ameritech's failure to meet or exceed any of the Performance Criteria is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (a) a failure by MFS to perform any of its obligations set forth in this Agreement (including, without limitation, the Implementation Schedule and the Joint Grooming Plan), (b) any delay, act or failure to act by a Customer, agent or subcontractor of MFS or (c) any Force Majeure Event. If a Delaying Event (i) prevents Ameritech from performing a Specified Activity, then such Specified Activity shall be excluded from the calculation of Ameritech's compliance with the Performance Criteria, or (ii) only suspends Ameritech's ability to timely perform the Specified Activity, the applicable time frame in which Ameritech's compliance with the Performance Criteria is measured shall be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the Delaying Event.

26.5 Sole Remedy. The Liquidated Damages shall be the sole and exclusive remedy of MFS under this Agreement for Ameritech's breach of the Performance Criteria and a Specified Performance Breach as described in this Section 26.0.

26.6 Records. Ameritech shall maintain complete and accurate records, on a monthly basis, of its performance under this Agreement of each Specified Activity and its compliance with the Performance Criteria. Ameritech shall provide to MFS such records in a self-reporting format on a monthly basis. Notwithstanding Section 28.6.1, the Parties agree that such records shall be deemed "Proprietary Information" under Section 28.6.

27.0 REGULATORY APPROVAL.

The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission rejects any portion of this Agreement, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion.

28.0 MISCELLANEOUS.

28.1 Authorization.

28.1.1 Ameritech Information Industry Services, a division of Ameritech Services, Inc., is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder on behalf of Ameritech Illinois.

28.1.2 MFS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

28.2 Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.

28.3 Compliance with the Communications Law Enforcement Act of 1994 ("CALEA"). Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

28.4 Independent Contractor. Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

28.5 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event").

28.6 Confidentiality.

28.6.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software and documentation of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, agents or Affiliates (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be marked "Confidential" or "Proprietary" or by other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, it (a) shall

be held in confidence by each Receiving Party; (b) shall be disclosed to only those Representatives who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used only for such purposes; and (c) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law only in accordance with Section 28.6.2.

28.6.2 If any Receiving Party is required by any governmental authority or by applicable law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Receiving Party's compliance with Section 28.6 with respect to all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.

28.6.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

28.7 Governing Law. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the FCC, the exclusive jurisdiction and remedy for all such claims shall as provided for by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the Commission, the exclusive jurisdiction for all such claims shall be with such Commission, and the exclusive remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the state of Illinois without reference to conflict of law provisions.

28.8 Taxes. Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said

resale tax exemption certificate will result in no exemption being available to the purchasing Party.

28.9 Non-Assignment. Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party; provided that each Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

28.10 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

28.11 Disputed Amounts.

28.11.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

28.11.2 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

28.11.3 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Section 28.11.2, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission may direct release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to either Party.

28.11.4 The Parties agree that all negotiations pursuant to this Section 28.11 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

28.11.5 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

28.12 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested or (d) delivered by telecopy to the following addresses of the Parties:

To MFS:

MFS Intelenet of Illinois, Inc.
1 Tower Lane
27th Floor
Oakbrook Terrace, IL 60181
Attn: Director, Regulatory Affairs - Central Region
Facsimile: 708/218-0018

To Ameritech:

Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, IL 60654
Attn.: Vice President - Network Providers
Facsimile: 312/335-2927

with a copy to:

Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, IL 60654
Attn.: Vice President and General Counsel
Facsimile: (312) 595-1504

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail or (iv) on the date set forth on the confirmation in the case of telecopy.

28.13 Publicity and Use of Trademarks or Service Marks. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other

proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

28.14 Section 252(i) Obligations. If either Party enters into an agreement (the "Other Agreement") approved by the Commission pursuant to Section 252 of the Act which provides for the provision of arrangements covered in this Agreement to another requesting Telecommunications Carrier, including itself or its affiliate, such Party shall make available to the other Party such arrangements upon the same rates, terms and conditions as those provided in the Other Agreement. At its sole option, the other Party may avail itself of either (i) the Other Agreement in its entirety or (ii) the prices, terms and conditions of the Other Agreement that directly relate to any of the following duties as a whole:

- (1) Interconnection - Section 251(c)(2) of the Act (Section 4.0 and 5.0 of this Agreement); or
- (2) Exchange Access - Section 251(c)(2) of the Act (Section 6.0 of this Agreement); or
- (3) Unbundled Access - Section 251(c)(3) of the Act (Section 9.0 of this Agreement); or
- (4) Resale - Section 251(c)(4) of the Act (Section 10.0 of this Agreement); or
- (5) Collocation - Section 251(c)(6) of the Act (Section 13.0 of this Agreement); or
- (6) Number Portability - Section 251(b)(2) of the Act (Section 14.0 of this Agreement); or
- (7) Access to Rights of Way - Section 251(b)(4) of the Act (Section 16.0 of this Agreement).

28.15 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

28.16 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.17 No License. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

28.18 Technology Upgrades. Nothing in this Agreement shall limit Ameritech's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Ameritech shall provide MFS written notice at least ninety (90) days prior to the incorporation of any such upgrades in Ameritech's network which will materially impact MFS' service. MFS shall be solely responsible for the cost and effort of accommodating such changes in its own network.

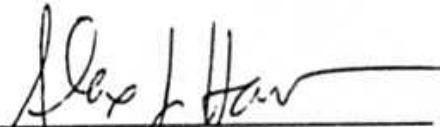
28.19 Survival. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including without limitation, Sections 20.4, 21.0, 22.0, 24.0, 25.0, 28.3, 28.6, 28.11, 28.13 and 28.17.

28.20 Scope of Agreement. This Agreement is intended to describe and enable specific Interconnection and access to unbundled Network Elements and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided herein.


28.21 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this 17th day of May, 1996.

MFS INTELENET OF ILLINOIS, INC.

By: 
Printed: Alex J. Harris
Title: Vice President, Regulatory Affairs

AMERITECH INFORMATION INDUSTRY
SERVICES, A DIVISION OF AMERITECH
SERVICES, INC., ON BEHALF OF
AMERITECH ILLINOIS

By: 
Printed: Neil E. Cox
Title: President

SCHEDULE 1.0

CERTAIN TERMS AS DEFINED IN THE ACT AS OF MAY 16, 1996

"Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than ten percent (10%).

"Dialing Parity" means that a person that is not an Affiliate of LEC is able to provide Telecommunications Services in such a manner that Customers have the ability to route automatically, without the use of any access code, their Telecommunications to the Telecommunications Services provider of the Customer's designation from among two (2) or more Telecommunications Services providers (including such LEC).

"Exchange Access" means the offering of access to Telephone Exchange Services or facilities for the purpose of the origination or termination of Telephone Toll Services.

"InterLATA" means Telecommunications between a point located in a local access and transport area and a point located outside such area.

"Local Access and Transport Area" or "LATA" means a contiguous geographic area: (a) established before the date of enactment of the Act by a Bell operating company such that no Exchange Area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or (b) established or modified by a Bell operating company after such date of enactment and approved by the FCC.

"Local Exchange Carrier" means any person that is engaged in the provision of Telephone Exchange Service or Exchange Access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Network Element" means a facility or equipment used in the provision of a Telecommunications Service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service.

"Number Portability" means the ability of end users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"Telecommunications" means the transmission, between or among points specified by the

user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Communications Act).

"Telecommunications Service" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

"Telephone Exchange Service" means (a) service within a telephone exchange or within a connected system of telephone exchanges within the same exchange area operated to furnish subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (b) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.

"Telephone Toll Service" means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

SCHEDULE 3.0
IMPLEMENTATION SCHEDULE

LATA	Ameritech Interconnection Wire Center (AIWC)	MFS Interconnection Wire Center (MIWC)	Interconnection Activation Date
Chicago	Wabash Tandem CHCGILWB12T	800 S. Wells CHCGILTODSO.	5/17/96 ¹

¹ Existing Interconnection arrangements predate execution of this Agreement.

PRICING SCHEDULE — ILLINOIS

I. Reciprocal Compensation

Rate = \$0.009 per minute

II. Information Services Billing & Collection

Fee = \$0.03 per message

III. BLV/BLVI Traffic

Rate = \$0.90 per Busy Line Verification
 \$1.10 per Busy Line Verification Interrupt
 (in addition to \$0.90 for Busy Line Verification)

IV. Transiting

Rate = \$0.002 per minute

V. Unbundled Network Elements

A. Unbundled Loop Rates*

Loop Type	Monthly Rates		
	Access Area ¹		
	A	B	C
Analog 2W	\$ 6.95	\$11.10	\$13.60
Analog 4W	\$13.90	\$22.20	\$27.20
ADSL 2W/HDSL 2W	\$ 6.95	\$11.10	\$13.60
ADSL 4W/HDSL 4W	\$13.90	\$22.20	\$27.20
BRI ISDN	\$ 6.95	\$11.10	\$13.60
PBX Ground Start Coin	\$ 6.95	\$11.60	\$14.10
Coin	\$ 6.95	\$11.60	\$14.10
Electronic Key Line	\$ 6.95	\$11.60	\$14.10

* Common Line Charges and cross-connection charges are included in the referenced Loop rates.

¹ "Access Area" is as defined in Ameritech's applicable tariffs for business and residential Exchange Line Services.

B. Non-Recurring Charges

1. Unbundled Loops

Date of Acceptance of Service Order	Service Order Charge	Line Connection Charge ⁴
Prior to 6/1/97	\$30	\$50
On or after 6/1/97	\$30	\$35

2. Number Portability

Date of Acceptance of Service Order	Service Order Charge ³	Initial Line Connection Charge ⁴	Charge for Subsequent Additional Call Path Connections ⁷
Prior to 6/1/97	\$30	\$50	\$20
On or after 6/1/97	\$30	\$35	\$20

³ The Service Order Charge is a per occasion charge applicable to any number of Loops ordered for the same location and same Customer account.

⁴ The Line Connection Charge applies to each Loop purchase.

⁵ The Service Order charge is a per occasion charge applicable per ported account per Customer location.

⁶ The Line Connection Charge applies to each ported number. If Number Portability is purchased with the Loop, the Initial Line Connection Charge shall be waived. The Initial Line Connection Charge includes porting the initial number with up to ninety (90) call paths.

⁷ The Charge for Subsequent Additional Call Path Connections is applied when purchasing up to an additional ninety (90) paths for an individual ported number. This charge also applies to any changes to the number of call paths on a ported number.

C. Additional Loop Conditioning Charges¹

Loop Type	Additional Charges per Loop
Electronic Key Line	Rates based on cost
ISDN	\$22.50 per month per Loop
HDSL 2W	Rates based on cost
HDSL 4W	Rates based on cost
ADSL 2W	Rates based on cost

¹ The Additional Loop Conditioning Charges are only applicable if the distance requested on an ordered Loop exceeds such Loop's corresponding transmission characteristics as set forth in Section 9.4.5.

VI. Interim Telecommunications Number Portability

- A. Up to twenty (20) call paths per ported number:

Rate = \$3.00 per ported number per month.

- B. Twenty-one (21) to ninety (90) call paths per ported number:

Rate = \$0.50 per each additional call path over twenty (20) per month.

- C. Ninety-one (91) or more call paths per ported number: Individual case basis.

EXHIBIT A

NETWORK ELEMENT BONA FIDE REQUEST

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

2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element.

3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.

4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.

5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.

6. If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and otherwise qualifies under the Act, it shall promptly proceed with developing the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.

7. Unless the Parties otherwise agree, the Network Element Bona Fide Request must be priced in accordance with Section 252(d)(1) of the Act.

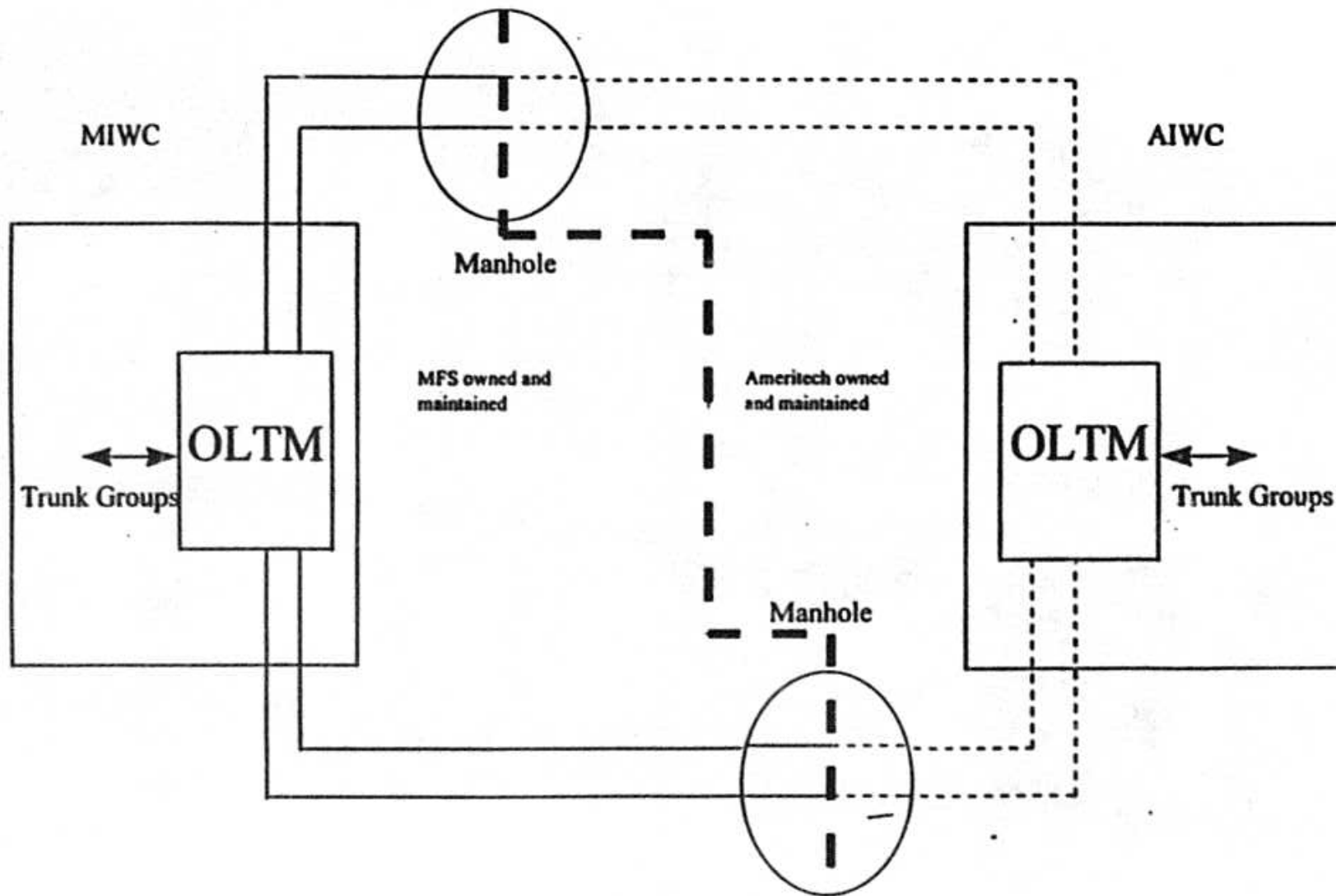
8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which

will include, at a minimum, a description of each Network Element, the availability, the applicable rates and the installation intervals.

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

Exhibit B: MFS/Ameritech Fiber Meet



**INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE
TELECOMMUNICATIONS ACT OF 1996**

Dated as of June 25, 1996

by and between

NEW YORK TELEPHONE COMPANY

and

MFS INTELENET OF NEW YORK, INC.

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- Exhibit A Network Element Bona Fide Request

INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 ("Agreement"), is effective as of the 25th day of June, 1996 (the "Effective Date"), by and between MFS Intelnet of New York, Inc., ("MFS") a Delaware corporation with offices at 33 Whitehall Street, New York, New York 10004 and New York Telephone Company d/b/a, NYNEX ("NYNEX" or "NYT"), a New York corporation with offices at 1095 Avenue of the Americas, New York, New York 10036.

WHEREAS, the Parties want to interconnect their networks at mutually agreed upon points of interconnection to provide Telephone Exchange Services (as defined below) and Exchange Access (as defined below) to their respective Customers.

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and provide other services as required by the Act (as defined below) and additional services as set forth herein.

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

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1.0. For convenience of reference only, the definitions of certain terms that are As Defined in the Act (as defined below) are set forth on Schedule 1.0. Schedule 1.0 sets forth the definitions of such terms as of the date specified on such Schedule and neither Schedule 1.0 nor any revision, amendment or supplement thereof intended to reflect any revised or subsequent interpretation of any term that is set forth in the Act is intended to be a part of or to affect the meaning or interpretation of this Agreement.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. 153(R)), as amended by the Telecommunications Act of 1996, and as from time to time interpreted in the duly authorized rules and regulations of the FCC or a Commission within its state of jurisdiction.

1.2 "ADSL" or "Asymmetrical Digital Subscriber Line" means a transmission technology which transmits an asymmetrical digital signal using one of a variety of line codes as specified in ANSI standards T1.413-1995-007R2.

1.3 "Affiliate" is As Defined in the Act.

1.4 "Agreement for Switched Access Meet Point Billing" means the Agreement for Switched Access Meet Point Billing dated as of February 14, 1996 by and between the Parties.

1.5 "As Defined in the Act" means as specifically defined by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.6 "As Described in the Act" means as described in or required by the Act and as from time to time interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.7 "Automatic Number Identification" or "ANI" means a Feature Group D signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.8 "Busy Line Verification/Busy Line Verification Interrupt Traffic" or "BLV/BLVI Traffic" means an operator service call in which the caller inquires as to the busy status of or requests an interruption of a call on another Customer's Telephone Exchange Service line.

1.9 "Calling Party Number" or "CPN" is a Common Channel Interoffice Signaling ("CCIS") parameter which refers to the number transmitted through a network identifying the calling party.

1.10 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switches" which are used to terminate Customer station Links for the purpose of interconnection to each other and to trunks; and

(b) "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.11 "CCS" means one hundred (100) call seconds.

1.12 "CLASS Features" means certain CCIS-based features available to Customers including, but not limited to: Automatic Call Back; Call Trace; Caller Identification; Call Return and future CCIS-based offerings.

1.13 "Collocation" means an arrangement whereby one Party's (the "Collocating Party") facilities are terminated in its equipment necessary for Interconnection or for access to Network Elements on an unbundled basis which has been installed and maintained at the premises of a second Party (the "Housing Party"). For purposes of Collocation, the "premises" of a Housing Party is limited to the occupied structure or portion thereof in which such Housing Party has the exclusive right of occupancy. Collocation will be "physical," unless physical collocation is not practical for technical reasons or because of space/limitations, in which case

virtual collocation will be provided, subject to PSC approval. In "Physical Collocation," the Collocating Party installs and maintains its own equipment in the Housing Party's premises.

1.14 "Commission" or "PSC" means the New York State Public Service Commission.

1.15 "Common Channel Interoffice Signaling" or "CCIS" means the signaling system, developed for use between switching systems with stored-program control, in which all of the signaling information for one or more groups of trunks is transmitted over a dedicated high-speed data link rather than on a per-trunk basis and, unless otherwise agreed by the Parties, the CCIS used by the Parties shall be SS7.

1.16 "Cross Connection" means a connection provided pursuant to Collocation at the Digital Signal Cross Connect, Main Distribution Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party.

1.17 "Customer" means a third-party residence or business that subscribes to Telecommunications Services provided by either of the Parties.

1.18 "Dialing Parity" is As Defined in the Act. As used in this Agreement, Dialing Parity refers to both Local Dialing Parity and Toll Dialing Parity. "Local Dialing Parity" means the ability of Telephone Exchange Service Customers of one LEC to select a provider and make local calls without dialing extra digits. "Toll Dialing Parity" means the ability of Telephone Exchange Service Customers of a LEC to place toll calls (inter or intraLATA) which are routed to a toll carrier (intraLATA or interLATA) of their selection without dialing access codes or additional digits and with no unreasonable dialing delay.

1.19 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.20 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.21 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

1.22 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level in the time-division multiplex hierarchy. In the time-division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing.

1.23 "Direct Customer Access Service" or "DCAS" is an electronic interface system provided by NYNEX to facilitate the ordering, provisioning and maintenance of various interconnection arrangements.

1.24 "Exchange Message Record" or "EMR" means the standard used for exchange of Telecommunications message information among Telecommunications providers for billable, non-billable, sample, settlement and study data. EMR format is contained in Bellcore Practice BR-010-200-010 CRIS Exchange Message Record.

1.25 "Exchange Access" is As Defined in the Act.

1.26 "FCC" means the Federal Communications Commission.

1.27 "Fiber-Meet" means an Interconnection architecture method whereby the Parties physically Interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location.

1.28 "HDSL" or "High-Bit Rate Digital Subscriber Line" means a transmission technology which transmits up to a DS1-level signal, using any one of the following line codes: 2 Binary / 1 Quaternary ("2B1Q"), Carrierless AM/PM, Discrete Multitone ("DMT"), or 3 Binary / 1 Octal ("3B1O").

1.29 "Information Service Traffic" means Local Traffic or IntraLATA Toll Traffic which originates on a Telephone Exchange Service line and which is addressed to an information service provided over a Party's information services platform (e.g., 976).

1.30 "Integrated Digital Loop Carrier" means a subscriber loop carrier system which integrates within the switch, at a DS1 level, twenty-four (24) local Link transmission paths combined into a 1.544 Mbps digital signal.

1.31 "Interconnection" is As Described in the Act and refers to the connection of a network, equipment, or facilities, of one carrier with the network, equipment, or facilities of another for the purpose of transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic.

1.32 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.

1.33 "Interim Telecommunications Number Portability" or "INP" is As Described in the Act.

1.34 "InterLATA Service" is As Defined in the Act.

1.35 "Integrated Services Digital Network" or "ISDN" means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 kbps bearer channels and one 16 kbps data channel (2B+D).

1.36 "Local Access and Transport Area" or "LATA" is As Defined in the Act.

1.37 "Local Exchange Carrier" or "LEC" is As Defined in the Act.

1.38 "Local Link Transmission" or "Link" means the entire transmission path which extends from the network interface/demarcation point at a Customer's premises to the Main Distribution Frame or other designated frame or panel in a Party's Wire Center which serves the Customer. Links are defined by the electrical interface rather than the type of facility used.

1.39 "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).

1.40 "Main Distribution Frame" or "MDF" means the distribution frame of the Party providing the Link used to interconnect cable pairs and line and trunk equipment terminals on a switching system.

1.41 "Meet-Point Billing" means the process whereby each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Exchange Access Service as agreed to in the Agreement for Switched Access Meet Point Billing.

1.42 "Network Element" is As Defined in the Act.

1.43 "Network Element Bona Fide Request" means the process described in Exhibit A that prescribes the terms and conditions relating to a Party's request that the other Party provide a Network Element not otherwise provided by the terms of this Agreement.

1.44 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States, Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.45 "Number Portability" is As Defined in the Act.

1.46 "NXX" means the three-digit code which appears as the first three digits of a seven digit telephone number.

1.47 "Party" means either NYNEX or MFS, and "Parties" means NYNEX and MFS.

1.48 "Port" means a termination on a Central Office Switch that permits Customers to send or receive Telecommunications over the public switched network, but does not include switch features or switching functionality.

1.49 "POT Bay" or "Point of Termination Bay" means the intermediate distributing frame system which serves as the point of demarcation for collocated interconnection.

1.50 "Rate Center" means the specific geographic point which has been designated by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center. Rate Centers will be identical for each Party until such time as MFS is permitted by an appropriate regulatory body or elects to create its own Rate Centers within an area.

1.51 "Reciprocal Compensation" is As Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Telephone Exchange Service Traffic.

1.52 "Reciprocal Compensation Call" or "Reciprocal Compensation Traffic" means a Telephone Exchange Service Call completed between the Parties, which qualifies for Reciprocal Compensation pursuant to the terms of this Agreement and prevailing Commission rules that may exist.

1.53 "Route Indexing" means the provision of Interim Number Portability through the use of direct trunks provisioned between end offices of NYNEX and MFS over which inbound traffic to a ported number will be routed.

1.54 "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for inbound traffic to one or more of its NPA-NXX codes. The Routing Point is also used to calculate mileage measurements for the distance-sensitive transport element charges of Switched Exchange Access Services. Pursuant to Bell Communications Research, Inc. ("Bellcore") Practice BR 795-100-100 (the "Bellcore Practice"), the Routing Point (referred to as the "Rating Point" in such Bellcore Practice) may be an End Office Switch location or a "LEC Consortium Point of Interconnection." Pursuant to such Bellcore Practice, each "LEC Consortium Point of Interconnection" shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, Routing Points associated with each NPA-NXX need not be the same as the corresponding Rate Center, nor must there be a unique and separate Routing Point corresponding to each unique and separate Rate Center; provided only that the Routing Point associated with a given NPA-NXX must be located in the same LATA as the Rate Center associated with the NPA-NXX.

1.55 "Service Control Point" or "SCP" means a component of the signaling network that acts as a database to provide information to another component of the signaling network (i.e., Service Switching Point or another SCP) for processing or routing certain types of network calls. A query/response mechanism is typically used in communicating with an SCP.

1.56 "Signaling Transfer Point" or "STP" means a component of the signaling network that performs message routing functions and provides information for the routing of messages

between signaling network components. An STP transmits, receives and processes CCIS messages.

1.57 "Single Bill/Multiple Tariff" shall mean that one bill is rendered to the IXC from all LECs who are jointly providing access service. A single bill consists of all rate elements applicable to access services billed on one statement of charges under one billing account number using each Party's appropriate access tariffs. The bill could be rendered by or on behalf of, either of the Parties.

1.58 "Strapping" means the act of installing a permanent connection between a point of termination bay and a collocated interconnector's physical collocation node.

1.59 "Switched Exchange Access Service" means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of Telephone Toll Service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access services.

1.60 "Synchronous Optical Network" or "SONET" means an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps (OC-1/STS-1) and higher rates are direct multiples of the base rate, up to 13.22 Gpbs.

1.61 "Technically Feasible Point" is As Described in the Act.

1.62 "Telecommunications" is As Defined in the Act.

1.63 "Telecommunications Act" means the Telecommunications Act of 1996 and any rules and regulations promulgated thereunder.

1.64 "Telecommunications Carrier" is As Defined in the Act.

1.65 "Telecommunications Service" is As Defined in the Act.

1.66 "Telephone Exchange Service" is As Defined in the Act.

1.67 "Telephone Exchange Service Call" or "Telephone Exchange Service Traffic" means a call completed between two Telephone Exchange Service Customers of the Parties located in the same LATA, originated on one Party's network and terminated on the other Party's network where such call was not carried by a third party as either a presubscribed call (1+) or a casual dialed (10XXXX) or (101XXXXX) call. Telephone Exchange Service Traffic is transported over Traffic Exchange Trunks.

1.68 "Telephone Toll Service" is As Defined in the Act.

1.69 "Wire Center" means an occupied structure or portion thereof in which a Party has the exclusive right of occupancy and which serves as a Routing Point for Switched Exchange Access Service.

2.0 INTERPRETATION AND CONSTRUCTION

All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms defined in Schedule 1.0 are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including NYNEX or other third party offerings, guides or practices), statute, regulation, rule or tariff is to such agreement, instrument, statute, regulation, convenience of reference only and is not intended to be a part of or to affect the meaning or rule or tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

3.0 SCOPE

The parties stipulate and agree that the terms of this Agreement, if fully and completely met by NYNEX, will satisfy the obligation of NYNEX to provide Interconnection under Section 251 of the Act, and the requirements of the Competitive Checklist, under section 271 of the Act. MFS represents that it is a provider of telephone exchange service to residential and business subscribers offered exclusively over its own telephone exchange service facilities or predominantly over its own telephone exchange service facilities or in combination with the resale of the telecommunications services of other carriers.

4.0 INTERCONNECTION PURSUANT TO SECTION 251(c)(2)

Subject to the terms and conditions of this Agreement, Interconnection of the Parties' facilities and equipment pursuant to Section 4.0 for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic shall be established on or before the corresponding "Interconnection Activation Date" shown for each such LATA within the State of New York on Schedule 4.0. Schedule 4.0 may be revised and supplemented from time to time upon the mutual agreement of the Parties to reflect the Interconnection in additional LATAs in New York State pursuant to Section 4.5 by attaching one or more supplementary schedules to such schedule.

4.1 Scope

Section 4.0 describes the physical architecture for Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service Traffic and Exchange Access traffic pursuant to Section 251(c)(2) of the Act. Sections 5.0 and 6.0 prescribe the specific logical trunk groups (and traffic routing parameters) which will be configured over the physical connections described in this Section 4.0 related to the transmission and routing of

Telephone Exchange Service Traffic and Exchange Access traffic, respectively. Other trunk groups, as described in this Agreement, may be configured using this architecture.

4.2 Physical Architecture

In each LATA identified on Schedule 4.0, MFS and NYNEX shall jointly engineer and operate a diverse Synchronous Optical Network ("SONET") transmission system by which they shall interconnect their networks pursuant to the joint network reconfiguration and grooming plan ("Joint Grooming Plan") specified in Section 8.1, and according to the following minimum specifications:

4.2.1 The Parties shall establish physical interconnection points at the locations designated in Schedule 4.0. Interconnection points on MFS' network shall be designated as MFS Interconnection Points ("M-IP"); interconnection points on the NYNEX network shall be designated as NYNEX Interconnection Points ("N-IP"). The Parties may by mutual agreement establish additional interconnection points at any technically feasible points consistent with Act.

4.2.2 Unless otherwise mutually agreed, the SONET transmission system in each LATA shall be configured as illustrated in Schedule 4.2 and pursuant to the Joint Grooming Plan. Each Party shall be responsible for procuring, installing and maintaining the agreed-upon Optical Line Terminating Multiplexor ("OLTM") equipment, fiber optic facilities and other equipment as agreed pursuant to the Joint Grooming Plan, as illustrated in that Schedule.

4.2.3 Unless otherwise mutually agreed, the physical interface of MFS' and NYNEX's facilities necessary to effect the SONET transmission system shall be at the optical level via a Fiber Meet or other comparable means.

4.3 Initial Interim Architecture

4.3.1 In LATAs where MFS and NYNEX have implemented interconnection arrangements prior to execution of this Agreement, the Parties shall for an interim period not exceeding twelve (12) months from the Interconnection Activation Date, maintain any preexisting physical interconnection arrangements and, pursuant to the Joint Grooming Plan, jointly coordinate and reconfigure such arrangements to reflect the architecture described in Section 4.2 of this Agreement.

4.3.2 In LATAs where no interconnection agreements have been implemented prior to execution of this Agreement, the Parties agree to allow interim alternatives to the architecture described in Section 4.2, utilizing electrical hand-offs, provided the Parties mutually develop and agree on a plan to fully transition to an arrangement reflective of Section 4.2 in that LATA within 180 days following the Activation Date listed for that LATA in Schedule 4.0.

4.4 Technical Specifications

4.4.1 MFS and NYNEX shall work cooperatively to install and maintain a reliable network. MFS and NYNEX shall exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government and such other information as the Parties shall mutually agree) to achieve this desired reliability.

4.4.2 MFS and NYNEX shall work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

4.4.3 The publication "Bellcore Technical Publication TR-INS-000342, High Capacity Digital Special Access Service, Transmission Parameter Limits and Interface Combinations" describes the practices, procedures, specifications and interfaces generally utilized by NYNEX and is referenced herein to assist the Parties in meeting their respective Interconnection responsibilities related to Electrical/Optical Interfaces.

4.5 Interconnection in Additional LATAs

4.5.1 If MFS determines to offer Telephone Exchange Services in any other LATA in which NYNEX also offers Telephone Exchange Services in New York State, MFS shall provide written notice to NYNEX of the need to establish Interconnection in such LATA pursuant to this Agreement.

4.5.2 The notice provided in Section 4.5.1 shall include (i) the initial Routing Point MFS has designated in the new LATA; (ii) MFS' requested Interconnection Activation Date, and (iii) a non-binding forecast of MFS' trunking requirements.

4.5.3 Unless otherwise agreed by the Parties, the Parties shall designate the Wire Center MFS has identified as its initial Routing Point in the LATA as the M-IP in that LATA and shall designate the NYNEX Tandem Office Wire Center within the LATA nearest to the M-IP (as measured in airline miles utilizing the V&H coordinates method) as the N-IP in that LATA.

4.5.4 Unless otherwise agreed by the Parties, the Interconnection Activation Date in each new LATA shall be the earlier of (i) the date mutually agreed by the Parties and (ii) the date that is one-hundred and fifty (150) days after the date on which MFS delivered notice to NYNEX pursuant to Section 4.5.1. Within ten (10) business days of NYNEX's receipt of MFS' notice, NYNEX and MFS shall confirm the N-IP, the M-IP and the Interconnection Activation Date for the new LATA by attaching a supplementary schedule to Schedule 4.0.

5.0 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC PURSUANT TO SECTION 251(c)(2)

5.1 Scope of Traffic

Section 5.0 prescribes parameters for trunk groups (the "Traffic Exchange Trunks") to be effected over the Interconnections specified in Section 4.0 for the transmission and routing of Telephone Exchange Service Traffic between the Parties' respective Telephone Exchange Service Customers.

5.2 Switching System Hierarchy

5.2.1 For purposes of this Section 5.0, each of the following Central Office Switches shall be designated as a "Primary Switch":

- (a) Each Access Tandem NYNEX operates in the LATA;
- (b) The initial switch MFS employs to provide Telephone Exchange Service in the LATA;
- (c) Any Access Tandem MFS may establish for provision of Exchange Access in the LATA; and
- (d) Any additional switch MFS may subsequently employ to provide Telephone Exchange Service in the LATA which MFS may at its sole option designate as a Primary Switch; provided that the total number of MFS Primary Switches for a LATA may not exceed the total number of NYNEX Primary Switches for that LATA. To the extent MFS chooses to designate any additional switch as a Primary Switch, it shall provide notice to NYNEX of such designation at least ninety (90) days in advance of the date on which MFS activates such switch as a Primary Switch.
- (e) Any additional tandem switch NYNEX may subsequently employ to provide access and/or sector traffic capacity within a LATA. Traffic destined to sub-tending Secondary Switches routed via such a tandem(s) would be determined by network requirements and notice made available to all LECs at least 180 days prior to service introduction.

5.2.2 Each Central Office Switch operated by the Parties which is not designated as a Primary Switch pursuant to Section 5.2.1 shall be designated as a "Secondary Switch".

5.2.3 For purposes of MFS routing traffic to NYNEX, sub-tending arrangements between NYNEX Primary Switches and NYNEX Secondary Switches shall be the same as the Access Tandem/End Office sub-tending arrangements which NYNEX maintains for those switches. For purposes of NYNEX routing traffic to MFS, sub-tending arrangements between MFS Primary Switches and MFS Secondary Switches shall be the same as the Access Tandem/End Office sub-tending arrangements which MFS maintains for those switches.

5.3 Trunk Group Architecture and Traffic Routing

The Parties shall jointly engineer and configure Traffic Exchange Trunks over the physical Interconnection arrangements for the transport and termination of Telephone Exchange Service Traffic, as follows:

5.3.1 The Parties shall initially configure a separate two-way trunk group as a direct transmission path between each MFS Primary Switch and each NYNEX Primary Switch.

5.3.2 Notwithstanding anything to the contrary in this Section 5.0, if the two-way traffic volumes between any two Central Office Switches (whether Primary-Primary, Primary-Secondary or Secondary-Secondary) at any time exceeds the CCS busy hour equivalent of one DS-1, the Parties shall within sixty (60) days after such occurrence add trunks or establish new direct trunk groups consistent with the grades of service and quality parameters set forth in the Joint Grooming Plan; provided, however, nothing in this Section 5.3 shall require a Party to establish new direct trunk groups on or before the date which is one-hundred and twenty (120) days after the applicable Interconnection Activation Date; provided, however, that if such traffic volume is exceeded within such one-hundred and twenty (120) day period, such Party shall establish new direct trunk groups on the date which is the later of sixty (60) days after such occurrence or one-hundred and twenty-one (121) days after the Interconnection Activation Date.

5.4 Interim Use Alternative Trunk Groups

In LATAs where MFS and NYNEX have implemented interconnection arrangements prior to execution of this Agreement, the Parties shall for an interim period not exceeding twelve (12) months from the Interconnection Activation Date, maintain any preexisting trunk group architecture and, pursuant to the Joint Grooming Plan, jointly coordinate and reconfigure such architecture to reflect the architecture described in Section 5.3 of this Agreement.

5.5 Signaling

5.5.1 Where available, CCIS signaling shall be used by the Parties to set up calls between the Parties' Telephone Exchange Service networks. If CCIS signaling is unavailable, MF (Multi-Frequency) signaling shall be used by the Parties. Each Party shall charge the other Party equal and reciprocal rates for CCIS signaling in accordance with applicable tariffs. During the term of this Agreement neither Party shall charge the other Party additional usage-sensitive rates for SS7 queries made for Local Traffic.

5.5.2 The publication "Bellcore Special Report SR-TSV-002275, BOC Notes on the LEC Networks - Signaling" describes the practices, procedures and specifications generally utilized by NYNEX for signaling purposes and is referenced herein to assist the Parties in meeting their respective Interconnection responsibilities related to signaling.

5.5.3 The Parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate interoperability of CCIS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its Customers. All CCIS signaling parameters will be

provided including, calling party number (CPN), originating line information (OLI), calling party category and charge number.

5.5.4 Each Party shall provide trunk groups where available that are configured utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

5.6 Grades of Service

The Parties shall initially engineer and shall jointly monitor and enhance all trunk groups consistent with the Joint Grooming Plan.

5.7 Measurement and Billing

5.7.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on each call carried over the Traffic Exchange Trunks; provided that so long as the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information shall be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the minutes of use of calls exchanged with CPN information.

5.7.2 Measurement of billing minutes (except for originating 800/888 calls) shall be in actual conversation seconds. Measurement of billing minutes for originating 800/888 calls shall be in accordance with applicable tariffs.

5.7.3 Where CPN is not available in a LATA for greater than 10% of the traffic, the party sending the traffic shall provide factors to determine the jurisdiction, as well as local vs. toll distinction, of the traffic. Such factors shall be supported by call record details that will be made available for review upon request. Where parties are passing CPN but the receiving party is not properly receiving or recording the information, the Parties shall cooperatively work to correctly identify the traffic, and establish a mutually agreeable mechanism that will prevent improperly rated traffic. Notwithstanding this, if any improperly rated traffic occurs, the Parties agree to reconcile it.

5.8 Reciprocal Compensation Arrangements -- Section 251(b)(5).

5.8.1 Reciprocal Compensation only applies to the transport and termination of Reciprocal Compensation Traffic billable by NYNEX or MFS which a Telephone Exchange Service Customer originates on NYNEX's or MFS' network for termination on the other Party's network except as provided in Section 5.8.6 below.

5.8.2 The Parties shall compensate each other for transport and termination of Reciprocal Compensation Traffic in an equal and symmetrical manner at the rate provided in the Pricing Schedule. This rate is to be applied at the M-IP for traffic delivered by NYNEX, and at the N-IP for traffic delivered by MFS. No additional charges, including port or transport charges, shall apply for the termination of Reciprocal Compensation Traffic delivered to the M-IP or the

N-IP. When Reciprocal Compensation Traffic is terminated over the same trunks as other traffic, any port or transport or other applicable access charges related to such other traffic shall be prorated to be applied only to such other traffic.

5.8.3 The Reciprocal Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service or to any other intraLATA calls originated on a third party carrier's network on a 1+ presubscribed basis or a casual dialed (10XXX or 101XXXX) basis. All Switched Exchange Access Service and all IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state tariffs.

5.8.4 The rates for termination of Reciprocal Compensation Traffic are set forth in the Pricing Schedule which is incorporated by reference herein.

5.8.5 Compensation for transport and termination of all traffic which has been subject to performance of INP by one Party for the other Party pursuant to Section 13.0 shall be as specified in Section 13.5.

5.8.6 When either Party delivers seven (7) or ten (10) digit translated intraLATA 800/888 service to the other Party for termination, the originating Party shall provide the terminating Party with billing records in industry standard format (EMR) if required by the terminating Party. The originating Party may bill the terminating Party for the delivery of the traffic at local reciprocal compensation rates. The terminating Party may not bill the originating Party reciprocal compensation under this Agreement. The Party that is providing the 800/888 service shall pay the database inquiry charge per the Pricing Schedule to the Party that performed the database inquiry.

6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO SECTION 251(c)(2)

6.1 Scope of Traffic

Section 6.0 prescribes parameters for certain trunk groups ("Access Toll Connecting Trunks") to be established over the Interconnections specified in Section 4.0 for the transmission and routing of Exchange Access traffic between MFS Telephone Exchange Service Customers and Interexchange Carriers ("IXCs").

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 The Parties shall jointly establish Access Toll Connecting Trunks by which they will jointly provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic from/to MFS' Customers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow MFS' Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to an NYNEX Access Tandem.

6.2.3 The Access Toll Connecting Trunks shall be two-way trunks connecting an End Office Switch MFS utilizes to provide Telephone Exchange Service and Switched Exchange Access in a given LATA to an Access Tandem Switch NYNEX utilizes to provide Exchange Access in such LATA.

6.2.4 For Meet-Point billing, MFS' end office switch (i.e., Routing Point) shall subtend the NYNEX Access Tandem nearest to such Routing Point, as measured in airline miles utilizing the V&H coordinate method. Alternative configurations will be discussed as part of the Joint Grooming Plan.

6.3 Meet-Point Billing Arrangements

6.3.1 Meet-Point Billing arrangements between the Parties for jointly-provided Switched Exchange Access Services on Access Toll Connecting Trunks will be governed by the terms and conditions in this section, and pursuant to agreement between the Parties dated February 14, 1996 and the agreement between the Parties and the New York State Access Pool dated March 1, 1996.

6.3.2 Notwithstanding 6.3.1, until and unless changed by the FCC on a going forward basis, MFS shall retain 100% of the Residual Interconnection Charge in instances in which MFS provides the end office switching, effective January 1, 1995. The Parties will make all appropriate financial settlements in accordance with this Section within 60 days of this Agreement.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 Information Services Traffic

7.1.1 Each Party shall route Information Service Traffic which originates on its own network to the appropriate information services platform(s) connected to the other Party's network. MFS and NYNEX will jointly establish a dedicated trunk group to the NYNEX information services tandem switch. This trunk group will be utilized to allow MFS to route information service traffic originated on its network to NYNEX, and to allow MFS to receive traffic from NYNEX for a trial of interim number portability arrangements related to information services traffic.

7.1.2 The Party ("Originating Party") on whose network the Information Services Traffic originated shall provide an electronic file transfer or monthly magnetic tape containing recorded call detail information to the Party ("Terminating Party") to whose information platform the Information Services Traffic terminated.

7.1.3 The Terminating Party shall provide to the Originating Party via electronic file transfer or magnetic tape or other means as available all necessary information to rate the Information Services Traffic to the Originating Party's Customers pursuant to the Terminating Party's agreements with each information provider. Information shall be provided in as timely a fashion as practical in order to facilitate record review and reflect actual prices set by the individual information providers.

7.1.4 The Originating Party shall bill and collect such information provider charges and remit the amounts collected to the Terminating Party less:

- (a) The Information Services Billing and Collection fee set forth on the Pricing Schedule; and
- (b) Customer adjustments provided by the Originating Party.

The Originating Party shall provide to the Terminating Party sufficient information regarding uncollectibles and Customer adjustments. The Terminating Party shall pass through the adjustments to the information provider. However, if the information provider disputes such adjustments and refuses to accept such adjustments, the Originating Party shall reimburse the Terminating Party for all such disputed adjustments. Final resolution regarding all disputed adjustments shall be solely between the Originating Party and the information provider.

7.1.5 Nothing in this Agreement shall restrict either Party from offering to its Exchange Service Customers the ability to block the completion of Information Service Traffic.

7.1.6 The Parties may agree to separate arrangements for the billing and compensation of variable rated (970, 540, etc.) information services.

7.2 BLV/BLVI Traffic

7.2.1 Busy Line Verification ("BLV") is performed when one Party's Customer requests assistance from the operator bureau to determine if the called line is in use, however, the operator bureau will not complete the call for the Customer initiating the BLV inquiry. Only one BLV attempt will be made per Customer operator bureau call, and a charge shall apply whether or not the called party releases the line.

7.2.2 Busy Line Verification Interrupt ("BLVI") is performed when one Party's operator bureau interrupts a telephone call in progress after BLV has occurred. The operator bureau will interrupt the busy line and inform the called party that there is a call waiting. The operator bureau will only interrupt the call and will not complete the telephone call of the Customer initiating the BLVI request. The operator bureau will make only one BLVI attempt per Customer operator telephone call and the applicable charge applies whether or not the called party releases the line.

7.2.3 Each Party's operator bureau shall accept BLV and BLVI inquiries from the operator bureau of the other Party in order to allow transparent provision of BLV/BLVI Traffic between the Parties' networks.

7.2.4 Each Party shall route BLV/BLVI Traffic inquiries over separate direct trunks (and not the Local/IntraLATA/InterLATA Trunks) established between the Parties' respective operator bureaus. Unless otherwise mutually agreed, the Parties shall configure BLV/BLVI trunks over the Interconnection architecture defined in Section 4.0, consistent with the Joint Grooming Plan. Each Party shall compensate the other Party for BLV/BLVI Traffic as set forth on the Pricing Schedule.

7.3 Tandem Transient Service ("Transit Service")

7.3.1 "Transit Service" means the delivery of certain traffic between MFS and a LEC by NYNEX over the Local/IntraLATA/InterLATA Trunks. The following traffic types will be delivered: (i) Local Traffic or intralata toll originated from MFS to such LEC and (ii) local or IntraLATA Toll Traffic originated from such LEC and terminated to MFS where NYNEX carries such traffic pursuant to the Commission's primary toll carrier plan or other similar plan.

7.3.2 Subject to Section 7.3.4, the Parties shall compensate each other for Transit Service as follows:

- (a) MFS shall pay NYNEX for Local Traffic MFS originated over the Transit Service at the rate specified in Pricing Schedule plus any additional charges or costs such terminating LEC imposes or levies on NYNEX for the delivery or termination of such traffic, including any switched access charges; and
- (b) NYNEX shall pay MFS for local, InterLATA, or IntraLATA Toll Traffic terminated to MFS from such LEC at the appropriate reciprocal compensation rates described in Section 5.8, InterLATA access rates, or (where NYNEX delivers such traffic pursuant to the Commission's primary toll carrier plan or other similar plan) at MFS' applicable switched access rates or local termination rate, whichever is appropriate.

7.3.3 While the Parties agree that it is the responsibility of a LEC to enter into arrangements to deliver Local Traffic to MFS, they acknowledge that such arrangements are not currently in place and an interim arrangement is necessary to ensure traffic completion. Accordingly, until the earlier of (i) the date on which either Party has entered into an arrangement with such LEC to deliver Local Traffic to MFS or (ii) one-hundred and eighty (180) days after the Interconnection Activation Date, NYNEX will deliver and MFS will terminate Local Traffic originated from such LEC without charge to one another.

7.3.4 NYNEX expects that all networks involved in transit traffic will deliver each call to each involved network with CCIS and the appropriate Transactional Capabilities

Application Part ("TCAP") message to facilitate full interoperability of those services supported by NYNEX as noted in Section 1.12 and billing functions. In all cases, MFS is responsible to follow the Exchange Message Record ("EMR") standard and exchange records with both NYNEX and the terminating LEC to facilitate the billing process to the originating network.

7.3.5 For purposes of this Section 7.3, NYNEX agrees that it shall make available to MFS, at MFS' sole option, any transiting arrangement NYNEX offers to another LEC at the same rates, terms and conditions provided to such other LEC.

7.4 Dedicated Transit Service

7.4.1 "Dedicated Transit Service" provides for the dedicated connection between an MFS collocation arrangement established pursuant to applicable tariffs and/or license agreements at a NYNEX premises and a collocation arrangement of a third party carrier that maintains a collocation arrangement at the same premises. Dedicated Transit Service shall be provided using a cross-connection (dedicated connection) using suitable NYNEX-provided cable or transmission facilities or any other mutually agreed upon arrangement.

7.4.2 The carrier that requests the Dedicated Transit Service shall be the customer of record for both ends of the service in terms of ordering, provisioning, maintenance, and billing. Alternative arrangements may be utilized if agreed upon by all three parties.

7.5 911/E911 Arrangements

7.5.1 MFS will interconnect to the NYNEX 911/E911 selective router/911 tandems which serve the areas in which MFS provides exchange services, for the provision of 911/E911 services and for access to all sub-tending Public Safety Answering Points ("PSAP"). NYNEX will provide MFS with the appropriate CLLI codes and specifications of the tandem serving area.

7.5.2 Path and route diverse interconnections for 911/E911 shall be made at the M-IP, the N-IP, or other points as necessary and mutually agreed.

7.5.3 NYNEX will provide MFS with an electronic interface through which MFS shall input and provide a daily update of 911/E911 database information related to appropriate MFS customers. NYNEX will provide MFS with the Master Street Address Guide (MSAG) so that MFS can ensure the accuracy of the data transfer. Additionally, NYNEX shall assist MFS in identifying the appropriate person in each municipality for the purpose of obtaining the ten-digit Subscriber number of each PSAP.

7.5.4 NYNEX and MFS will use their best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS systems to the 911/E911 platforms.

7.5.5 NYNEX and MFS will work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs, or county or municipal coordinators may have regarding the 911/E911 arrangements.

7.5.6 MFS will compensate NYNEX for connections to its 911/E911 pursuant to the Pricing Schedule.

7.5.7 MFS will comply with all applicable rules and regulations pertaining to the provision of 911/E911 services in the state of New York.

8.0 JOINT NETWORK RECONFIGURATION AND GROOMING PLAN; AND INSTALLATION, MAINTENANCE, TESTING AND REPAIR.

8.1 Joint Network Reconfiguration and Grooming Plan. On or before October 1, 1996, MFS and NYNEX shall jointly develop a grooming plan (the "Joint Grooming Plan") which shall define and detail, inter alia,

- (a) agreement on Physical Architecture consistent with the guidelines defined in Section 4.0;
- (b) standards to ensure that Interconnection trunk groups experience a grade of service, availability and quality which is comparable to that achieved on interoffice trunks within NYNEX's network and in accord with all appropriate relevant industry-accepted quality, reliability and availability standards;
- (c) the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the trunk groups, including but not limited to standards and procedures for notification and discoveries of trunk disconnects;
- (d) disaster recovery provision escalations; and
- (e) such other matters as the Parties may agree.

8.2 Installation, Maintenance, Testing and Repair. NYNEX's standard intervals as defined in NYNEX's New York Tariff P.S.C. No. 914 will be utilized in connection with the establishment of all interconnection trunking arrangements between the Parties. MFS shall meet the same intervals for comparable installations, maintenance, joint testing, and repair of its facilities and services associated with or used in conjunction with Interconnection. If either Party is unable to meet the intervals specified herein, that Party shall notify the other and will negotiate additional intervals in good faith.

9.0 UNBUNDLED ACCESS -- SECTION 251(c)(3)

9.1 Local Link Transmission Types

Subject to Section 9.5, NYNEX shall allow MFS to access the following Link types (in addition to those Links available under applicable tariffs) unbundled from local switching and local transport in accordance with the terms and conditions set forth in this Section 9

9.1.1 "2-Wire Analog Voice Grade Links" or "Analog 2W" which support analog transmission of 300-3000 Hz, repeat link start, link reverse battery, or ground start seizure and disconnect in one direction (toward the End Office Switch), and repeat ringing in the other direction (toward the Customer). Analog 2W include Links sufficient for the provision of PBX trunks, pay telephone lines and electronic key system lines.

9.1.2 "4-Wire Analog Voice Grade Links" or "Analog 4W" which support transmission of voice grade signals using separate transmit and receive paths and terminate in a 4-wire electrical interface.

9.1.3 "2-Wire ISDN Digital Grade Links" or "BRI ISDN" which support digital transmission of two 64 kbps bearer channels and one 16 kbps data channel. BRI ISDN is a 2B+D Basic Rate Interface-Integrated Services Digital Network (BRI-ISDN) Link which will meet national ISDN standards and conform to ANSI T1.601-1992 & T1E1.4 90-004R3.

9.2 ADSL and HDSL

The Parties acknowledge that ADSL is not currently deployed for use in the NYNEX network. NYNEX is conducting a technical trial that is due to be completed by the end of the first quarter 1997 testing ADSL technology. NYNEX will share its interim findings and conclusion and consult with MFS regarding the issues related to deploying ADSL in NYNEX's network. If the issues surrounding deployment of ADSL in NYNEX's network are satisfactorily resolved and ADSL is deployed, NYNEX shall allow MFS to access ADSL links unbundled from local switching and local transport in accordance with the terms and conditions set forth in this Section 9.

9.2.1 "2-Wire ADSL-Compatible Link" or "ADSL 2W" is a transmission path which facilitates the transmission of up to a 6 Mbps digital signal downstream (toward the Customer) and up to a 640 kbps digital signal upstream (away from the Customer) while simultaneously carrying an analog voice signal. An ADSL-2W is provided over a 2-Wire non-loaded twisted copper pair provisioned using revised resistance design guidelines and meeting ANSI Standard T1.413-1995-007R2. An ADSL-2W terminates in a 2-wire electrical interface at the Customer premises and at the NYNEX Central Office frame. ADSL technology can only be deployed over Links which extend less than 18 Kft. from NYNEX's Central Office. ADSL compatible Links are only available where existing copper facilities can meet the ANSI T1.413-1995-007R2 specifications.

9.2.2 "2-Wire HDSL-Compatible Link" or "HDSL 2W" is a transmission path which facilitates the transmission of a 768 kbps digital signal over a 2-Wire non-loaded twisted copper pair meeting the specifications in ANSI T1E1 Committee Technical Report Number 28 /.

T1E1.4/92-002R3. HDSL compatible Links are available only where existing copper facilities can meet the T1E1 Technical Report Number 28 specifications.

9.2.3 "4-Wire HDSL-Compatible Link" or "HDSL 4W" is a transmission path which facilitates the transmission of a 1.544 Mbps digital signal over two 2-Wire non-loaded twisted copper pairs meeting the specifications in ANSI T1E1 Committee Technical Report Number 28. HDSL compatible Links are available only where existing copper facilities can meet the specifications.

9.2.4 Links will be offered on the terms and conditions specified herein and on such other terms in applicable tariffs that are not inconsistent with the terms and conditions set forth herein. NYNEX shall make Links available to MFS at the rates specified by the Commission, as amended from time to time, subject to the provisions of Section 9.9.

9.3 Port Types

NYNEX shall make available to MFS unbundled Ports in accordance with the terms and conditions of and at the rates specified in applicable tariffs.

9.4 Private Lines, Special Access and Switched Transport

NYNEX shall provide unbundled private lines, special access and switched local transport from the trunk side of its switches in accordance with the terms and conditions of and at the rates specified in applicable tariffs.

9.5 Limitations on Unbundled Access

9.5.1 MFS may not cross-connect a NYNEX-provided Link to a NYNEX-provided Port but instead shall purchase a network access line under applicable tariffs.

9.5.2 NYNEX shall only be required to provide Links and Ports where such Links and Ports are available.

9.5.3 MFS shall access NYNEX's unbundled Network Elements specifically identified in this Agreement via Collocation in accordance with Section 12 at the NYNEX Wire Center where those elements exist and each Link or Port shall be delivered to MFS' Collocation node by means of a Cross Connection or strapping which in the case of Links, is included in the rates set forth in Pricing Schedule.

9.5.4 NYNEX shall provide MFS access to its unbundled Links at each of NYNEX's Wire Centers. In addition, if MFS requests one or more Links serviced by Integrated Digital Link Carrier or Remote Switching technology deployed as a Link concentrator, NYNEX shall, where available, move the requested Link(s) to a spare, existing physical Link at no charge to MFS. If, however, no spare physical Link is available, NYNEX shall within 3 Business days of MFS' request notify MFS of the lack of available facilities. MFS may then at its discretion

make a Network Element Bona Fide Request to NYNEX to provide the unbundled Link through the demultiplexing of the integrated digitized Link(s). MFS may also make a Network Element Bona Fide Request for access to unbundled Links at the Link concentration site point. Notwithstanding anything to the contrary in this Agreement, the provisioning intervals set forth in Section 9.7 and the Performance Interval Dates and Performance Criteria set forth in Section 26.1 shall not apply to unbundled Links provided under this Section 9.5.4.

9.5.5 If MFS orders a Link type and the distance requested on such Link exceeds the transmission characteristics as referenced in the corresponding Technical Reference specified below, distance extensions may be required and additional rates and charges shall apply as set forth on the Pricing Schedule. Parties agree that full technical solutions may not be available for HDSL and ADSL for these arrangements at the signing of this agreement, but will make a good faith effort to implement such solutions.

Link Type	Technical Reference/Limitation
Electronic Key Line	2.5 miles
ISDN	Belcore TA-NWT-000393
HDSL 2W	T1E1 Technical Report Number 28
HDSL 4W	T1E1 Technical Report Number 28
ADSL 2W	ANSI T1.413-1995 Specification

9.6 Availability of Other Network Elements on an Unbundled Basis

9.6.1 NYNEX shall, upon request of MFS, at any technically feasible point provide to MFS access to its Network Elements on an unbundled basis for the provision of MFS' Telecommunications Service. Any request by MFS for access to an NYNEX Network Element that is not already available shall be treated as a Network Element Bona Fide Request. MFS shall provide NYNEX access to its Network Elements as mutually agreed by the Parties or as required by the Act, Commission or FCC.

9.6.2 A Network Element obtained by one Party from the other Party under this Section 9.6 may be used in combination with the facilities of the requesting Party only to provide a Telecommunications Service, including obtaining billing and collection, transmission, and routing of the Telecommunications Service.

9.6.3 Notwithstanding anything to the contrary in this Section 9.6, a Party shall not be required to provide a proprietary Network Element to the other Party under this Section 9.5 except as required by the Act, Commission or FCC.

9.7 Provisioning of Unbundled Links

The following coordination procedures shall apply for new unbundled Links and the conversions of "live" Telephone Exchange Services to unbundled Links (herein after referred to as "hot cuts"):

9.7.1 MFS shall request unbundled Links from NYNEX by delivering to NYNEX a valid electronic transmittal Service Order using the NYNEX electronic ordering platform (as cooperatively designed and implemented to meet the minimum requirements for information exchange needed to order and provision services to certified local exchange carriers and enhanced to support industry standards as developed for interconnection services) or another mutually agreed upon system. Within 2 business days of NYNEX's receipt of a Service Order, NYNEX shall provide MFS the firm order commitment ("FOC") date according to the applicable Performance Interval Dates set forth in Section 26.1 by which the Link(s) covered by such Service Order will be installed.

9.7.2 NYNEX agrees to accept from MFS at the time the service request is submitted for scheduled conversion of hot cut unbundled link orders, a desired date and time (the "Scheduled Conversion Time") in the "A.M." (12:00 midnight to 12:00 noon) or "P.M." (12:00 noon to 12:00 midnight) (as applicable, the "Conversion Window") for the hot cut.

9.7.3 NYNEX shall test for MFS dial tone at the POT bay by testing through the tie cable provisioned between the NYNEX main distributing frame and the MFS expanded interconnection node 48 hours prior to the Scheduled Conversion Time.

9.7.4 Not less than one hour prior to the Scheduled Conversion Time, either Party may contact the other Party and unilaterally designate a new Scheduled Conversion Time (the "New Conversion Time"). If the New Conversion Time is within the Conversion Window, no charges shall be assessed on or waived by either Party. If, however, the New Conversion Time is outside of the Conversion Window, the Party requesting such New Conversion Time shall be subject to the following:

If NYNEX requests the New Conversion Time, the applicable Line Connection Charge shall be waived; and

If MFS requests the New Conversion Time, MFS shall be assessed a Line Connection Charge in addition to the Line Connection Charge that will be incurred for the New Conversion Time.

9.7.5 Except as otherwise agreed by the Parties for a specific conversion, such as large cutovers of 10 lines or more that have negotiated intervals, the Parties agree that the time interval expected from disconnection of NYNEX's "live" Telephone Exchange Service to the connection of an unbundled Network Element at the MFS Collocation node's POT bay will be accomplished within a window of time as detailed following: Between the effective date of this Agreement and 9/30/96 one hundred twenty (120) minutes; between 10/1/96 and 12/31/96 ninety (90) minutes; from 1/1/97 through the end of this agreement sixty (60) minutes or less. If a conversion interval exceeds sixty (60) minutes and such delay is caused solely by NYNEX (and not by a contributing Delaying Event (as defined in Section 26.4)), NYNEX shall waive the applicable tariffed Line Connection Charge for such element. If MFS has ordered INP with the installation of a Link, NYNEX will coordinate the implementation of INP with the Link conversion during with the above stated intervals at no additional charge.

9.7.6 If MFS requests or approves a NYNEX technician to perform services in excess of or not otherwise contemplated by the Line Connection charge NYNEX may charge MFS for any additional and reasonable labor charges to perform such services.

9.7.7 If as the result of end user actions, (e.g., Customer not ready [CNR]), NYNEX cannot complete requested work activity when a technician has been dispatched to the site MFS will be assessed a non-recurring charge associated with this visit. This charge will be the sum of the Service Order Charge and Premises Visit Charge as specified in the NYPSC Tariffs Nos. 900/914.

9.8 Maintenance of Unbundled Network Elements

If (i) MFS reports to NYNEX a Customer trouble, (ii) MFS requests a dispatch, (iii) NYNEX dispatches a technician, and (iv) such trouble was not caused by NYNEX's facilities or equipment in whole or in part, then MFS shall pay NYNEX a trip charge of \$60.00 and \$29.15 per quarter hour for time associated with said dispatch beyond the first 1/2 hour. In addition this charge also applies when the end user contact as designated by MFS is not available at the appointed time. MFS accepts responsibility for initial trouble isolation and providing NYNEX with appropriate dispatch information based on their test results. If as the result of MFS instructions, NYNEX is erroneously requested to dispatch within a NYNEX Central Office or to a POT Bay ("dispatch in"), a charge of \$100.00 per occurrence will be assessed to MFS by NYNEX.

9.9 True-Up of Monthly Unbundled Link Charges for New York

9.9.1 NYNEX agrees to provide true-ups with MFS for all links purchased from the NYPSC Tariff No. 900, Section 26, by MFS through the end of the initial term of this Agreement up to:

- a) the date of the Initial Link Rate Decision, as defined in Section 9.9.3; and for
- b) the date of the Final Link Rate Decision, as defined in Section 9.9.4.

9.9.2 "Current Monthly Rate" is the amounts billed pursuant to NYPSC Tariff No. 900, Section 26, plus cross connect ("SAC") and EUCL charges, as modified subsequent to this agreement. If an interim rate is ordered by the PSC, the Current Monthly Rate will be set at the interim rate, plus cross connect and EUCL, only for the period during which the interim rate is in effect.

9.9.2.1 Notwithstanding the foregoing paragraph 9.9.2, nothing in this Agreement shall be construed to imply that MFS agrees that \$24.75 (the sum of the current link rate plus SAC and EUCL) is a reasonable or appropriate charge for unbundled links.

9.9.3 "Initial Link Rate Decision" is any decision of the PSC establishing a permanent monthly link rate which is issued subsequent to the date of the execution of this Agreement and before the expiration of the initial term of this Agreement in Cases 95-C-0657, 94-C-0095, and 91-C-1174.

9.9.4 "Final Link Rate Decision" represents any of the following which occur during the initial term of this Agreement that produces a rate lower than the Initial Link Rate Decision:

- a) any link rate established by any rules by the FCC or appeals ruled upon in any federal or state court of competent jurisdiction, that modifies the permanent link rate referenced in 9.9.3 subsequent to a decision of the PSC in Cases 95-C-0657, 94-C-0095, and 91-C-1174 establishing final monthly link rates.
- b) any rate established through arbitration between NYNEX and a third party that is approved by a ruling of the PSC, the FCC or any federal or state court of competent jurisdiction.
- c) the most favorable (lowest) negotiated link rate agreed to by NYNEX and a third party.

9.9.5 "Initial Link Months" represents the cumulative sum of total links in service to MFS each month for the period beginning July 1, 1994 and ending at the date of the Initial Link Rate Decision. For example, if 10 links are in service each month for 5 months, the number of Link Months would equal 50.

9.9.6 "Final Link Months" represents the cumulative sum of total links in service to MFS each month for the period beginning July 1, 1994 and ending at the date of the Final Link Rate Decision.

9.9.7 "Initial Per-Link True-up" represents the difference between the Current Monthly Rate and the rate established under the Initial Link Rate Decision, where the latter is lower than the former; if the rate established by the Initial Link Rate Decision is equal to or greater than the Current Monthly Rate, the Initial Per-Link True-Up shall be deemed to be zero (0).

9.9.8 "Final Per-Link True-up" represents the difference between the rate established under any Initial Link Rate Decision and the Final Link Rate Decision; or the difference between the Current Monthly Rate and the Final Link Rate Decision absent any Initial Link Rate Decision, if any, where the latter is lower than the former; if the rate established by the Final Link Rate Decision is equal to or greater than the Current Monthly Rate, the Final Per-Link True-Up shall be deemed to be zero (0).

9.9.9 "Initial True-up Amount" is the product amount calculated by multiplying Initial Link Months by the Initial Per-Link True-up.

9.9.10 "Final True-up Amount" is the product amount calculated by multiplying Link Months by the Final Per-Link True-up.

9.9.11 NYNEX agrees to pay MFS the Initial True-up Amount as applicable within 30 days of the Initial Link Rate Decision.

9.9.12 NYNEX agrees to pay MFS the Final True-up Amount as applicable within 30 days of any Final Link Decision.

9.9.13 MFS and NYNEX will mutually determine the number of Link Months within 30 days of this Agreement, and will track the number of Link Months on a prospective basis up until payment of the Final True-up Amount.

9.10 Acknowledgments Related to Unbundled Network Elements

9.10.1 MFS acknowledges that NYNEX's provision of unbundled links provides it with local loop transmission from the central office to the customer's premises, unbundled from local switching or other services

9.10.2 MFS acknowledges that NYNEX's provision of unbundled switched transport provides it with local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.

9.10.3 MFS acknowledges that NYNEX's provision of unbundled line-side ports and unbundled trunk-side ports makes available local switching unbundled from transport, local loop transmission and other services.

9.10.4 MFS acknowledges that the Network Element Bona Fide Request Process established pursuant to this Agreement satisfies the requirements of the Act to provide unbundled network elements.

10.0 RESALE -- SECTIONS 251(c)(4) and 251(b)(1)

10.1 Availability of Wholesale Rates for Resale

NYNEX shall offer to MFS for resale at wholesale rates its local exchange telecommunications services, as described in Section 251(c)(4) of the Act, at the rates set forth in the Pricing Schedule, pending approval by the PSC of permanent resale rates, pursuant to the terms and conditions of NYNEX's applicable approved tariffs. Effective October 1, 1996, NYNEX shall make such resale arrangements available.

10.2 Availability of Retail Rates for Resale

Each Party shall make available its Telecommunications Services for resale at retail rates to the other Party in accordance with Section 251(b)(1) of the Act in accordance with each Party's applicable approved tariffs.

10.3 Term and Volume Discounts

NYNEX, in response to an MFS request, agrees to offer term and volume discounts for resold retail services.

11.0 NOTICE OF CHANGES -- SECTION 251(c)(5)

If a Party makes a change in its network which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

12.0 COLLOCATION -- SECTION 251(c)(6)

12.1 NYNEX shall provide to MFS Physical Collocation for its transport facilities and equipment, pursuant to the terms and conditions of NYNEX's applicable tariffs on file with the appropriate regulatory agency and License Agreements, as necessary for Interconnection (pursuant to Section 4.0) or for access to unbundled Network Elements (pursuant to Section 9.0). NYNEX may provide for Virtual Collocation if NYNEX demonstrates to the Commission that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. Upon request by MFS and to the extent technically feasible and as space permits, NYNEX shall provide collocation at additional locations for placement of such equipment and alternative physical collocation arrangements.

12.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, MFS agrees to provide to NYNEX upon NYNEX's Network Element Bona Fide Request, Collocation of equipment for purposes of Interconnection (pursuant to Section 4.0) on a non-discriminatory basis and at comparable rates, terms and conditions as MFS may provide to other third parties. MFS shall provide such Collocation subject to applicable tariffs or contracts.

12.3 The Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space at the Housing Party's premises as described in applicable tariffs or contracts and purchase Cross Connection to services or facilities as described in applicable tariffs or contracts.

13.0 NUMBER PORTABILITY -- SECTION 251(b)(2)

13.1 Scope

13.1.1 The Parties shall provide Number Portability on a reciprocal basis to each other to the extent technically feasible, and in accordance with rules and regulations as from time to time prescribed by the FCC and/or the Commission.

13.1.2 Until Number Portability is implemented by the industry pursuant to regulations issued by the FCC or the Commission, the Parties agree to provide Interim Telecommunications Number Portability ("INP") to each other through remote call forwarding, route indexing, and full NXX code migration at the prices listed in the Pricing Schedule.

13.1.3 Once Number Portability is implemented pursuant to FCC or Commission regulation, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP Customer numbers to Number Portability. Upon implementation of Number Portability pursuant to FCC regulation, both Parties agree to conform and provide such Number Portability.

13.2 Procedures for Providing INP Through Remote Call Forwarding

MFS and NYNEX will provide INP through Remote Call Forwarding as follows:

13.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon receipt of a signed letter of agency from the Customer (and an associated service order) assigning the number to Party B, Party A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Party B. Party A will route the forwarded traffic to Party B over the appropriate Local/IntraLATA Trunks as if the call had originated on Party A's network.

13.2.2 Party B will become the customer of record for the original Party A telephone numbers subject to the INP arrangements. Party A shall use its reasonable efforts to consolidate into as few billing statements as possible for all collect, calling card, and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. At Party B's sole discretion, such billing statement shall be delivered to Party B in an agreed-upon format via either electronic file transfer, daily magnetic tape, or monthly magnetic tape.

13.2.3 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers as directed by Party B.

13.2.4 Within two (2) business days of receiving notification from the Customer, Party B shall notify Party A of the Customer's termination of service with Party B, and shall further notify Party A as to that Customer's instructions regarding its telephone number(s). Party

A will reinstate service to that Customer, cancel the INP arrangements for that Customer's telephone number(s), or redirect the INP arrangement to another INP-participating-LEC pursuant to the Customer's instructions at that time.

13.3 Procedures for Providing INP Through Route Indexing

Upon mutual agreement, NYNEX will deploy a Route Index arrangement which combines direct trunks, provisioned between NYNEX and MFS' end offices, with trunk side routing translations. Under this arrangement, inbound calls to a ported number will be pointed at a route index that sends the call to a dedicated trunk group, built as a direct final, for the sole purpose of facilitating completion of calls to a ported number. NYNEX will coordinate with MFS to provide this solution in a mutually agreeable and administratively manageable manner (e.g., NXX level) so as to minimize switch resource utilization for both Parties.

13.4 Procedures for Providing INP Through Full NXX Code Migration

Where either Party has activated an entire NXX for a single Customer, or activated a substantial portion of an NXX for a single Customer with the remaining numbers in that NXX either reserved for future use or otherwise unused, if such Customer chooses to receive service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will be accomplished with appropriate coordination between the Parties and subject to appropriate industry lead-times for movements of NXXs from one switch to another.

13.5 Other Interim Number Portability Options

MFS may also request Direct Inward Dial Trunks pursuant to applicable tariffs. NYNEX and MFS will trial Number Portability in connection with information services traffic (e.g., 976). Until the trial is completed, interim number portability will not be available for use with information services traffic.

13.6 Receipt of Terminating Compensation on Traffic to INP'ed Numbers

The Parties agree that the prices set forth in the Pricing Schedule shall apply for each number ported.

The Parties agree that under INP terminating compensation on calls to INP'ed numbers should be received by each Customer's chosen LEC as if each call to the Customer had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the Customer's chosen LEC. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this Section 13.6 whereby terminating compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for whose Customer the INP is provided.

13.6.1 The Parties shall individually and collectively track and quantify INP traffic between their networks based on the CPN of each call by identifying CPNs which are INP'ed numbers. The Receiving Party shall charge the Performing Party for each minute of INP traffic at the INP Traffic Rate specified in Section 13.6.3 in lieu of any other compensation charges for terminating such traffic.

13.6.2 By the Interconnection Activation Date in each LATA, the Parties shall jointly estimate for the prospective year, based on historic data of all traffic in the LATA, the percentages of such traffic that if dialed to telephone numbers bearing NPA-NXXs directly assigned to a Receiving Party (as opposed to the INP'ed number) would have been subject to (i) Reciprocal Compensation ("Reciprocal Traffic"), (ii) appropriate intrastate FGD charges ("Intra Traffic"), (iii) interstate FGD charges ("Inter Traffic"), or (iv) handling as Local Traffic under transiting arrangements between the Parties ("Transit Traffic"). On the date which is six (6) months after the Interconnection Activation Date, and thereafter on each succeeding six month anniversary of such Interconnection Activation Date, the Parties shall establish new INP traffic percentages to be applied in the prospective six (6) month period, based on actual INP traffic percentages from the preceding six (6) month period.

13.6.3 The INP Traffic Rate shall be equal to the sum of:

(Reciprocal Traffic percentage times the Reciprocal Compensation Rate set forth in the Pricing Schedule) plus (Intra Traffic percentage times NYNEX's effective intrastate FGD rates) plus (Inter Traffic percentage times NYNEX's effective interstate FGD rates).

A rate of zero shall be applied to the Transit Traffic percentage.

14.0 NUMBER RESOURCES ASSIGNMENTS

NYNEX shall continue to assign to MFS NXX codes in accordance with national guidelines at no charge.

15.0 DIALING PARITY -- SECTION 251(b)(3)

NYNEX shall provide Local Dialing Parity as required under Section 251(b)(3) of the Act in the following manner: Telephone numbers are provided pursuant to Section 14.0; Directory Assistance is provided pursuant to Section 19.2; Directory Listings are provided pursuant to section 19.1; and Operator Services are provided to Sections 19.2.4 and 19.2.6.

16.0 ACCESS TO RIGHTS-OF-WAY -- SECTION 251(b)(4)

Each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it owns or controls, to the extent permitted by law and as required by Section 224 of the Act or Commission Order, on terms, conditions and prices comparable to those offered to any

other entity pursuant to each Party's applicable tariffs and/or standard agreements with such entities.

17.0 DATABASES AND SIGNALING

NYNEX shall provide MFS with interfaces to access NYNEX's databases, including LIDB and 800/888, as well as DCAS for ordering and provisioning purposes, and associated signaling necessary for the routing and completion of MFS' traffic through the provision of SS7 under its applicable tariffs.

18.0 REFERRAL ANNOUNCEMENT

When a Customer changes its service provider from NYNEX to MFS, or from MFS to NYNEX, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the Customer's new number. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer, for a period of not less than four (4) months after the date the Customer changes its telephone number in the case of business Customers and not less than sixty (60) days after the date the Customer changes its telephone number in the case of residential Customers. However, if either Party provides Referral Announcements for a period different than the above respective periods when its Customers change their telephone numbers, such Party shall provide the same level of service to Customers of the other Party.

19.0 DIRECTORY SERVICES ARRANGEMENTS

NYNEX will provide certain directory services to MFS as defined herein. In this Section 19 of this Agreement, references to MFS customer telephone numbers means telephone numbers falling within NXX codes directly assigned to MFS and to numbers which are retained by MFS on the customer's behalf pursuant to Interim Telephone Number Portability arrangements described in Section 13 of this Agreement.

19.1 Directory Listings and Directory Distributions

19.1.1 NYNEX will include MFS' customers telephone numbers in all of its "White Pages" and "Yellow Pages" directory listings (including electronic directories) and directory assistance databases associated with the areas in which MFS provides services to such customers, and will distribute such directories to such customers, in an identical and transparent manner in which it provides those functions for its own customers' telephone numbers.

19.1.2 NYNEX will include all MFS NXX codes associated with the areas to which each directory pertains, along with NYNEX's own NXX codes in any maps or lists of such codes which are contained in the general reference portions of the directories. MFS' NXX codes shall appear in such maps or lists in the same manner as NYNEX's NXX information.

19.1.3 MFS will provide NYNEX with its directory listings and daily updates to those listings (including new, changed, and deleted listings) in a mutually agreed upon format at no charge.

19.1.4 NYNEX will accord MFS' directory listing information the same level of confidentiality which NYNEX accords its own directory listing information.

19.1.5 NYNEX shall provide MFS at no charge with (i) one basic directory listing per customer number, (ii) directory distribution for MFS customers, and (iii) listings of MFS customers in the directory assistance database.

19.1.6 NYNEX will provide MFS with a report of all MFS customer listings 90 days prior to directory publication in such form and format as may be mutually agreed to by both parties. Both Parties shall use their best efforts to ensure the accurate listing of such information.

19.2 Directory Assistance (DA) and Operator Services

19.2.1 NYNEX will provide MFS' operators an on-line access to NYNEX directory assistance database, when and where such access becomes available to organizations outside NYNEX. At MFS' option, NYNEX will provide MFS with intraLATA directory assistance service, MFS-branded directory assistance and call completion at prices set forth in the Pricing Schedule.

19.2.2 At MFS' request, NYNEX will provide to MFS unbranded directory assistance service which is comparable to the directory assistance service NYNEX makes available to its own end users at the prices set forth in the Pricing Schedule.

19.2.3 At MFS' option, NYNEX will provide MFS with intraLATA directory assistance service, MFS-branded directory assistance and call completion service in a manner comparable in every way to the way in which it provides those services to its own end users.

19.2.4 NYNEX will provide to MFS on request operator services trunk groups, utilizing Feature Group-D type signaling, with ANI, minus OZZ when interconnecting to the NYNEX operator services network.

19.2.5 MFS (or its operator service provider) and NYNEX will provide LEC-to-LEC Busy Line Verification and Interrupt (BLV/I) trunks to one another, in conjunction with POTS traffic, to enable each party to support this functionality. (This option is provisioned subject to technical limitations, such as those that apply on ported numbers).

19.2.6 NYNEX will provide operator services call completion to MFS' operators and customers for the termination of calls from MFS' subscribers for completion of calls on NYNEX's network to NYNEX's customers. NYNEX will provide operator services call completion for its customers to enable the non-discriminatory termination of calls from NYNEX's customers to MFS' customers on MFS' network.

19.3 Yellow Page Maintenance

NYNEX will work cooperatively with MFS so that Yellow Page advertisements purchased by customers who switch their service to MFS (including customers utilizing Interim Telephone Number Portability) are maintained without interruption. NYNEX will allow MFS customers to purchase new yellow pages advertisements without discrimination, under the identical rates, terms and conditions that apply to NYNEX's customers.

19.4 Information Pages

NYNEX will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS, listings provided by MFS for MFS' installation, repair and customer service and other service-oriented information, including appropriate identifying logo. Such listings shall appear in the manner that such information appears for subscribers of NYNEX and other LECs. NYNEX shall not charge MFS for inclusion of this information.

20.0 GENERAL RESPONSIBILITIES OF THE PARTIES

20.1 Each of NYNEX and MFS shall use its best efforts to comply with the Implementation Schedule.

20.2 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the Interconnections required to assure traffic completion to and from all Customers in their respective designated service areas. MFS, for the purpose of ubiquitous connectivity, network diversity and alternate routing, shall connect to at least one Tandem Office Switch for the receipt/completion of traffic to any NYNEX End Office Switches.

20.3 Thirty (30) days after the Effective Date and each quarter during the term of this Agreement, each Party shall provide the other Party with a rolling, six (6) calendar month, non-binding forecast of its traffic and volume requirements for the services and Network Elements provided under this Agreement in the form and in such detail as agreed by the Parties. Notwithstanding Section 29.6.1, the Parties agree that each forecast provided under this Section 20.3 shall be deemed "Proprietary Information" under Section 29.6.

20.4 Any Party that is required pursuant to this Agreement to provide a forecast (the "Forecast Provider") or the Party that is entitled pursuant to this Agreement to receive a forecast (the "Forecast Recipient") with respect to traffic and volume requirements for the services and Network Elements provided under this Agreement may request in addition to non-binding forecasts required by Section 20.3 that the other Party enters into negotiations to establish a forecast (a "Binding Forecast") that commits such Forecast Provider to purchase, and such Forecast Recipient to provide, a specified volume to be utilized as set forth in such Binding Forecast. The Forecast Provider and Forecast Recipient shall negotiate the terms of such Binding Forecast in good faith and shall include in such Binding Forecast provisions regarding price,

quantity, liability for failure to perform under a Binding Forecast and any other terms desired by such Forecast Provider and Forecast Recipient. Notwithstanding Section 29.6.1, the Parties agree that each forecast provided under this Section 20.4 shall be deemed "Proprietary Information" under Section 29.6.

20.5 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with NYNEX's network and to terminate the traffic it receives in that standard format to the proper address on its network. Such facility shall be designed based upon the description and forecasts provided under Sections 20.2 and 20.3 above. The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan.

20.6 Neither Party shall use any service related to or using any of the Services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's Customers, and either Party may discontinue or refuse service if the other Party violates this provision. Upon such violation, either Party shall provide the other Party notice, if practicable, at the earliest practicable time.

20.7 Each Party is solely responsible for the services it provides to its Customers and to other Telecommunications Carriers.

20.8 The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement.

20.9 Each Party is responsible for administering NXX codes assigned to it.

20.10 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of CLLI codes assigned to its switches.

20.11 Each Party shall use the LERG published by Bellcore or its successor for obtaining routing information and shall provide all required information to Bellcore for maintaining the LERG in a timely manner.

20.12 Each Party shall program and update its own Central Office Switches and End Office switches and network systems to recognize and route traffic to and from the other Party's assigned NXX codes. Except as mutually agreed or as otherwise expressly defined in this Agreement, neither Party shall impose any fees or charges on the other Party for such activities.

20.13 At all times during the term of this Agreement, each Party shall keep and maintain in force at each Party's expense all insurance required by law (e.g., workers' compensation insurance) as well as general liability insurance for personal injury or death to any one person, property damage resulting from any one incident, automobile liability with coverage for bodily

injury for property damage. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance (which may be provided through a program of self insurance).

21.0 TERM AND TERMINATION

21.1 The initial term of this Agreement shall be three (3) years (the "Term") which shall commence on the Effective Date. Absent the receipt by one Party of written notice from the other Party at least sixty (60) days prior to the expiration of the Term to the effect that such Party intends to extend the Term of this Agreement or terminate this Agreement with or without cause, this Agreement shall automatically renew and remain in full force and effect ~~on~~, and after the expiration of the Term.

21.2 Payment of all amounts owed under this Agreement and handling of disputed amounts will be governed by the NYPSC Tariff No. 914 including but not limited to all remedies for non-payment.

21.3 Upon termination or expiration of this Agreement in accordance with this Section 21.0:

(a) each Party shall comply immediately with its obligations set forth in Section 29.6.3;

(b) each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement;

(c) each Party's indemnification obligations shall survive termination or expiration of this Agreement.

21.4 Except as set forth in Section 27.5 and Section 26.4, no remedy set forth in this Agreement is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under applicable law or otherwise.

22.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

23.0 CANCELLATION CHARGES

Except as provided in Sections 9.6.4 and 19.4 and pursuant to a Network Element Bona Fide Request, or as otherwise provided in any applicable tariff or contract referenced herein, no cancellation charges shall apply.

24.0 NON-SEVERABILITY

24.1 The services, arrangements, Interconnection, Network Elements, terms and conditions of this Agreement were mutually negotiated by the Parties as a total arrangement and are intended to be non-severable, subject only to Section 29.14 of this Agreement.

24.2 Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of federal or state law, or any regulations or orders adopted pursuant to such law.

25.0 INDEMNIFICATION

25.1 Each party (the "Indemnifying Party") shall indemnify and hold harmless the other party ("Indemnified Party") from and against loss, cost, claim liability, damage, and expense (including reasonable attorney's fees) to third parties for:

(1) damage to tangible personal property or for personal injury proximately caused by the negligence or willful misconduct of the Indemnifying Party, its employees, agents or contractors;
and

(2) claims for libel, slander, infringement of copyright arising from the material transmitted over the Indemnified Party's facilities arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's Customers;
and

(3) claims for infringement of patents arising from combining the Indemnified Party's facilities or services with, or the using of the Indemnified Party's services or facilities in connection with, facilities of the Indemnifying Party.

Notwithstanding this indemnification provision or any other provision in the Agreement, neither Party, nor its parent, subsidiaries, affiliates, agents, servants, or employees shall be liable to the other for "Consequential Damages" as that term is described in Section 26.4 below.

25.2 The Indemnified Party will notify the Indemnifying Party promptly in writing of any claims, lawsuits, or demands by third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section, and, if requested by the Indemnifying Party, will tender the defense of such claim, lawsuit or demand.

(1) In the event the Indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the Indemnified Party may proceed to defend or settle said action and the Indemnifying Party shall hold harmless the Indemnified Party from any loss, cost liability, damage and expense.

(2) In the event the Party otherwise entitled to indemnification from the other elects to decline such indemnification, then the Party making such an election may, at its own expense, assume defense and settlement of the claim, lawsuit or demand.

(3) The parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.

Notwithstanding any other provisions of this Agreement, MFS shall defend and indemnify NYNEX and shall hold NYNEX harmless from and against any and all Loss alleged to have been incurred by a customer of MFS or any other third party where such Loss arises or is attributable to NYNEX's performance or failure to perform a "Specified Activity" as that term is defined in Section 27, below.

26.0 LIMITATION OF LIABILITY

26.1 Except for the payment of Liquidated Damages by NYNEX to MFS pursuant to Section 27 below, no liability shall attach to either Party, its parents, subsidiaries, affiliates, agents, servants or employees for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, terminating, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.

26.2 Except as otherwise provided in Section 25.0, no Party shall be liable to the other Party for any Loss, defect or equipment failure caused by the conduct of the other Party, the other Party's agents, servants, contractors or others acting in aid or concert with the other Party, except for gross negligence or willful misconduct.

26.3 In no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

27.0 LIQUIDATED DAMAGES FOR SPECIFIED ACTIVITIES

27.1 Certain Definitions. When used in this Section 27.0, the following terms shall have the meanings indicated:

27.1.1 "Specified Performance Breach" means the failure by NYNEX to meet the Performance Criteria for any of the three Specified Activities as defined below, for a period of three (3) consecutive calendar months.

27.1.2 "Specified Activity" means any of the following activities:

- (i) the installation by NYNEX of unbundled Links for MFS ("Unbundled Link Installation");
- (ii) NYNEX's provision of Interim Telecommunications Number Portability to MFS or
- (iii) the repair of out of service problems for MFS ("Out of Service Repairs").

27.1.3 "Performance Criteria" means, with respect to each calendar month during the term of this Agreement, the performance by NYNEX during each month of each Specified Activity shown in Schedule 27.0, subparagraphs 1 and 2, within the time interval shown in at least eighty percent (80%) of the covered instances, except as otherwise provided for in the Schedule in subparagraph 3.

27.2 Specified Performance Breach. In recognition of the (1) loss of Customer opportunities, revenues and goodwill which MFS might sustain in the event of a Specified Performance Breach; (2) the uncertainty, in the event of such a Specified Performance Breach, of MFS having available to it customer opportunities similar to those opportunities currently available to MFS; and (3) the difficulty of accurately ascertaining the amount of damages MFS would sustain in the event of such a Specified Performance Breach, NYNEX agrees to pay MFS, subject to Section 27.4 below, damages as set forth in Section 27.3 below in the event of the occurrence of a Specified Performance Breach.

27.3 Liquidated Damages. The damages payable by NYNEX to MFS as a result of a Specified Performance Breach shall be a total of \$75,000 for each Specified Performance Breach (collectively, the "Liquidated Damages"). MFS and NYNEX agree and acknowledge that (a) the Liquidated Damages are not a penalty and have been determined based upon the facts and circumstances of MFS and NYNEX at the time of the negotiation and entering into of this Agreement, with due regard given to the performance expectations of each Party; (b) the Liquidated Damages constitute a reasonable approximation of the damages MFS would sustain if its damages were readily ascertainable; and (c) MFS shall not be required to provide any proof of the Liquidated Damages.

27.4 Limitations. In no event shall NYNEX be liable to pay the Liquidated Damages if NYNEX's failure to meet or exceed any of the Performance Criteria is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (a) a failure by MFS to perform any of its obligations set forth in this Agreement (including, without limitation, the Implementation Schedule and the Joint Grooming Plan), (b) any delay, act or failure to act by a Customer, agent or subcontractor of MFS, (c) any Force Majeure Event (d) or such other delay, act or failure to act as upon which the parties may agree. If a Delaying Event (i) prevents NYNEX from performing a Specified Activity, then such Specified Activity shall be excluded from the calculation of NYNEX's compliance with the Performance Criteria, or (ii) only suspends NYNEX's ability to timely perform the Specified Activity, the applicable time frame in which

NYNEX's compliance with the Performance Criteria is measured shall be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the Delaying Event.

27.4.1 MFS shall meet the specific performance standards associated with quality of service requests as specified in Schedule 27.1 in the same percentages as set forth in Schedule 27.0. Should MFS fail to meet these quality of service request standards, during a period corresponding to that measured in calculation of Liquidated Damages payable by NYNEX to MFS, NYNEX will not be liable for payment of any applicable Liquidated Damages for that time period.

27.5 Sole Remedy. The Liquidated Damages shall be the sole and exclusive remedy of MFS under this Agreement for NYNEX's breach of the Performance Criteria and a Specified Performance Breach as described in this Section 27.0.

27.6 Records. NYNEX will endeavor to maintain complete and accurate records, on a monthly basis, of its performance under this Agreement of each Specified Activity and its compliance with the Performance Criteria. NYNEX shall provide to MFS such records in a self-reporting format on a monthly basis. Notwithstanding Section 29.6.1, the Parties agree that such records shall be deemed "Proprietary Information" under Section 29.6.

27.7 Start Date. NYNEX and MFS shall jointly agree on appropriate measurements for the enforcement of this Section 27 within 30 days of this Agreement. Performance monitoring and liquidated damages shall begin on August 1, 1996 for those items covered in 27.1.2 (i) and (ii) and October 1, 1996 for 27.1.2 (iii).

28.0 REGULATORY APPROVAL

The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission or FCC rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s).

This agreement is subject to change, modification, or cancellation as may be required by a regulatory authority or court in the exercise of its lawful jurisdiction.

29.0 MISCELLANEOUS

29.1 Authorization.

29.1.1 New York Telephone Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

29.1.2 MFS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to necessary regulatory approval.

29.2 Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.

29.3 Compliance with the Communications Law Enforcement Act of 1994 ("CALEA"). Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

29.4 Independent Contractors. Neither this Agreement, nor any actions taken by NYNEX or MFS in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between MFS and NYNEX, or any relationship other than that of purchaser and seller of services.

Neither this Agreement, nor any actions taken by NYNEX or MFS in compliance with this Agreement, shall create a contractual, agency, or any other type of relationship or third party liability between NYNEX and MFS's end users or others.

29.5 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event").

If any force majeure condition occurs, the Party delayed or unable to perform shall give immediate notice to the other Party and shall take all reasonable steps to correct the force majeure condition. During the pendency of the force majeure, the duties of the Parties under this Agreement affected by the force majeure condition shall be abated and shall resume without liability thereafter.

29.6 Confidentiality.

29.6.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software and documentation of one Party (a "Disclosing Party") that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, agents or Affiliates (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be marked "Confidential" or "Proprietary" or by other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, it (a) shall be held in confidence by each Receiving Party; (b) shall be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used only for such purposes; and (c) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law only in accordance with Section 29.6.2.

29.6.2 If any Receiving Party is required by any governmental authority or by applicable law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Receiving Party's compliance with Section 29.6 with respect to all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.

29.6.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

29.7 Governing Law. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the FCC, the exclusive jurisdiction and remedy for all such claims shall be as provided for by the FCC and the Act. For all claims under this Agreement that are based upon issues within the jurisdiction (primary or otherwise) of the

Commission, the exclusive jurisdiction for all such claims shall be with the Commission, and the exclusive remedy for such claims shall be as provided for by such Commission. In all other respects, this Agreement shall be governed by the domestic laws of the state of New York without reference to conflict of law provisions.

29.8 Taxes. Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party.

29.9 Non-Assignment. This Agreement shall be binding upon every subsidiary and affiliate of either Party that is engaged in providing telephone exchange and exchange access services in any territory within which NYNEX is an Incumbent Local Exchange Carrier as of the date of this Agreement (the "NYNEX Territory"), and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. Each Party covenants that, if it sells or otherwise transfers to a third party its telephone exchange and exchange access network facilities within the NYNEX Territory, or any portion thereof, to a third party, it will require as a condition of such transfer that the transferee agree to be bound by this Agreement with respect to services provided over the transferred facilities. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party which consent will not be unreasonably withheld; provided that either Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

29.10 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

29.11 Disputed Amounts.

29.11.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within thirty (30) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The

Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

29.11.2 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within ninety (90) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative who has authority to settle the dispute and who is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

29.11.3 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Section 29.11.2, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission may direct release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to either Party.

29.11.4 The Parties agree that all negotiations pursuant to this Section 29.11 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence. Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

29.12 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested or (d) delivered by telecopy to the following addresses of the Parties:

To MFS:

MFS Intelenet of New York, Inc.
33 Whitehall Street
15th Floor
New York, NY 10004
Attn: Director, Regulatory Affairs - Eastern Region
Facsimile: (212) 843-3060

To NYNEX:

NYNEX
1095 Avenue of Americas
40th Floor
New York NY 10036
Attn: Vice President - Wholesale Markets
Facsimile: (212) 597-2585

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail or (iv) on the date set forth on the confirmation in the case of telecopy.

29.13 Publicity and Use of Trademarks or Service Marks. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

29.14 Section 252(i) Obligations. If either Party enters into an agreement (the "Other Agreement") approved by the Commission or FCC pursuant to Section 252 of the Act which provides for the provision in the State of New York of arrangements covered in this Agreement to another requesting Telecommunications Carrier, including itself or its affiliate, such Party shall make available to the other Party such arrangements upon the same rates, terms and conditions as those provided in the Other Agreement. At its sole option, the other Party may avail itself of either (i) the Other Agreement in its entirety or (ii) all of the prices, terms and conditions contained in the Other Agreement that relate to any one or combination of the following:

- (1) Interconnection - Section 251(c)(2) of the Act (Section 4.0 and 5.0 of this Agreement); or
- (2) Exchange Access - Section 251(c)(2) of the Act (Section 6.0 of this Agreement); or
- (3) Unbundled Access - Section 251(c)(3) of the Act (Section 9.0 of this Agreement); or
- (4) Resale - Section 251(c)(4) of the Act (Section 10.0 of this Agreement); or
- (5) Collocation - Section 251(c)(6) of the Act (Section 13.0 of this Agreement); or
- (6) Number Portability - Section 251(b)(2) of the Act (Section 14.0 of this Agreement); or
- (7) Access to Rights of Way - Section 251(b)(4) of the Act (Section 16.0 of this Agreement); or

(8) Directory Services - Section 251(b)(3) of the Act (Section 18.0 of the Agreement).

29.15 Joint Work Product This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

29.16 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

29.17 No License. No license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

29.18 Technology Upgrades. Nothing in this Agreement shall limit NYNEX's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. NYNEX shall provide MFS written notice at least ninety (90) days prior to the incorporation of any such upgrades in NYNEX's network which will materially impact MFS' service. MFS shall be solely responsible for the cost and effort of accommodating such changes in its own network.

29.19 Survival. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including without limitation, Sections 21.4, 22.0, 23.0, 25.0, 26.0, 29.3, 29.6, 29.11, 29.13 and 29.17.

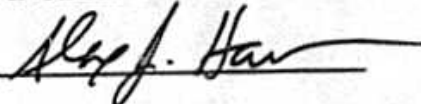
29.20 Scope of Agreement. This Agreement is intended to describe and enable specific Interconnection and access to unbundled Network Elements and compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided for herein.

29.21 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein are, hereby incorporated into this Agreement by this reference as if set forth fully herein and, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be

bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this 25th day of June, 1996.

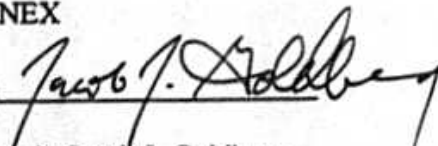
MFS INTELENET OF NEW YORK

By: 

Printed: Alex J Harris

Title: Vice President - Regulatory Affairs

NYNEX

By: 

Printed: Jacob J. Goldberg

Title: Vice President - Wholesale Markets

SCHEDULE 1.0**CERTAIN TERMS AS DEFINED IN THE ACT**

"Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than ten percent (10%).

"Dialing Parity" means that a person that is not an Affiliate of LEC is able to provide Telecommunications Services in such a manner that Customers have the ability to route automatically, without the use of any access code, their Telecommunications to the Telecommunications Services provider of the Customer's designation from among two (2) or more Telecommunications Services providers (including such LEC).

"Exchange Access" means the offering of access to Telephone Exchange Services or facilities for the purpose of the origination or termination of Telephone Toll Services.

"InterLATA Service" means Telecommunications between a point located in a local access and transport area and a point located outside such area.

"Local Access and Transport Area" or "LATA" means a contiguous geographic area: (a) established before the date of enactment of the Act by a Bell operating company such that no Exchange Area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or (b) established or modified by a Bell operating company after such date of enactment and approved by the FCC.

"Local Exchange Carrier" means any person that is engaged in the provision of Telephone Exchange Service or Exchange Access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Network Element" means a facility or equipment used in the provision of a Telecommunications Service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service.

"Number Portability" means the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Communications Act).

"Telecommunications Service" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

"Telephone Exchange Service" means (a) service within a telephone exchange within a connected system of telephone exchanges within the same exchange area operated to furnish subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (b) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.

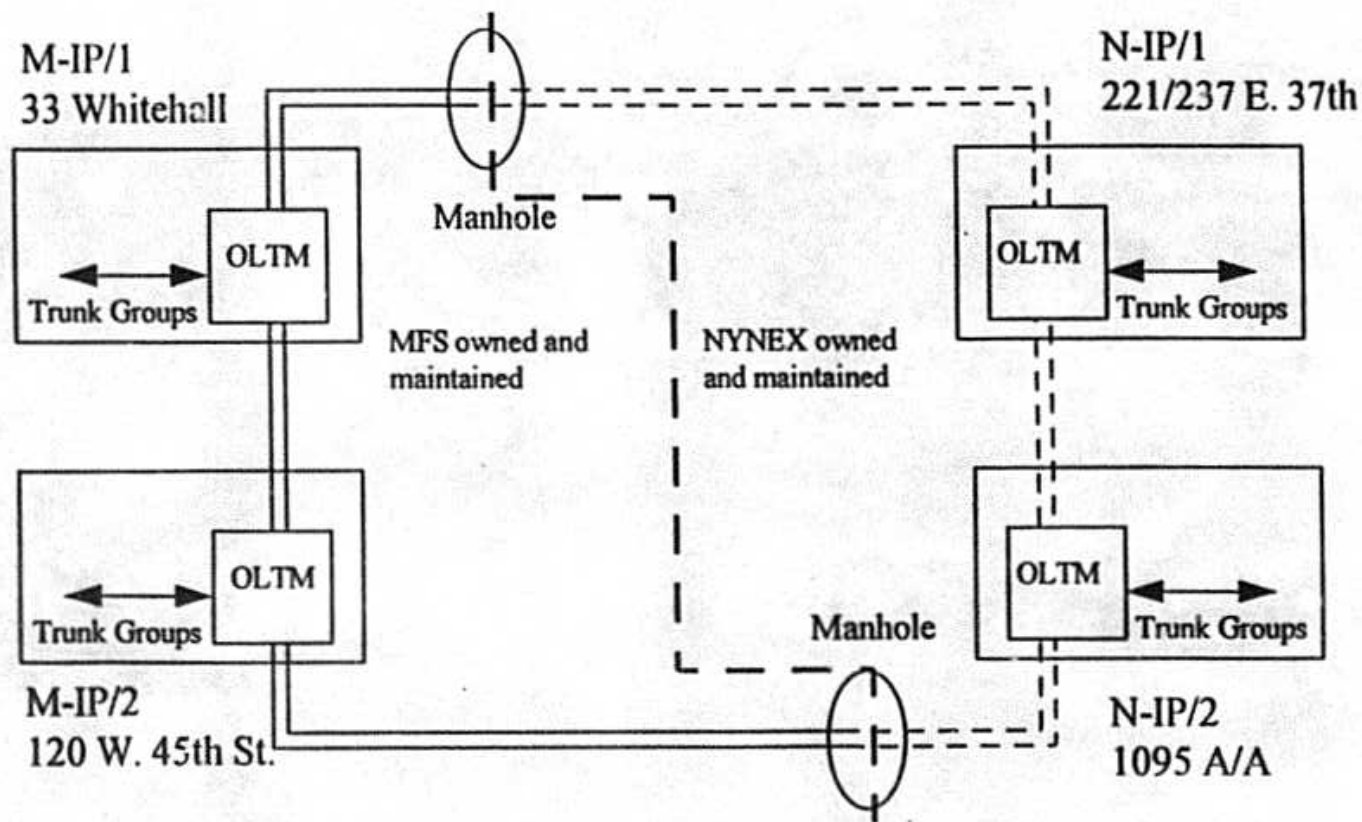
"Telephone Toll Service" means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

Schedule 4.0 Network Interconnection Schedule

<u>LATA</u>	<u>Interconnection Activation Date</u>	<u>MFS Wire Centers</u>		<u>NYNEX Wire Centers</u>	
		<u>M-IIP/1</u>	<u>M-IP/2</u>	<u>N-IP/1</u>	<u>N-IP/2</u>
132	June 25, 1996	33 Whitehall St. NY NY 10004	120 W.45 St. NY NY 10036 (Tower 45)	221/237 E. 37 St. NY NY 10016 (37th St CO)	1095 Ave of Americas NY NY 10036 (42nd St CO)

Existing Arrangements as of June 25, 1996, subject to change as part of the Joint Grooming Plan.

Schedule 4.2: Illustration of Interconnection Architecture*



*The following is subject to change by mutual agreement in the Joint Grooming Plan:

1. M-IP and N-IP locations
2. Use of point-to-point SONET transmission as opposed to ring transmission.

SCHEDULE 27.0 NYNEX Performance Criteria for Liquidated Damages

SPECIFIED ACTIVITY	PERFORMANCE INTERVAL DATE
1. Unbundled Link Installation	
a) New Line Installation:	
i) Orders for installation < 10 lines	5 days
ii) Orders for installation ≥ 10 lines	
Facilities Confirmation	5 days
If Available Facilities	
< 20 lines	10 days from Facilities Confirmation
≥ 20 lines	negotiated interval [*]
b) "Hot Cutover" Installation	
i) Orders for installation < 10 lines	10 days (through 9/30/96) 7 days (10/1/96 to 12/31/96) 5 days (1/1/97 and after)
ii) Orders for installation ≥ 10 lines	negotiated interval [*]
2. Interim Number Portability Installation	
i) Orders for installation < 10 numbers	10 days (through 9/30/96) 7 days (10/1/96 to 12/31/96) 5 days (1/1/97 and after)
ii) Orders for installation ≥ 10 numbers	negotiated interval [*]
3. Out-of-Service Repairs	Less than 24 hours from NYNEX's Receipt of Notification of Out-of- Service Condition (*)(**)

^{*} NYNEX will provide the same negotiated intervals it provides to any carrier, customer or parties that are similarly situated.

^{*} Subject to the following percentage limitations:

	10/1/96 thru 5/31/97	6/1/97 thru 12/31/97	1/1/98 thru 6/30/98	7/1/98 and thereafter
Zone 1(Manhattan, south of 59 st.)	75%	75%	80%	80%
Zone 2 (LATA 132, outside zone 1)	70%	75%	75%	80%
Zone 3 (Outside Zones 1 and 2)	70%	70%	70%	75%

** Excludes Residence customers in single and two-family homes

Schedule 27.1 MFS Service Quality Criteria for Liquidated Damages

1 New Unbundled Link (SVGALS) Orders

1.0 ANI to MFS number, verification successful from DEMARC by NYNEX field technician.

1.1 All order information submitted by MFS is valid (e.g. street address, end user LCON, floor/unit number, cable pair assignment)

1.2 Customer (end user) available at appointed date.

1.3 Orders completed as submitted without cancellation after FOC

2 Hot Cut Unbundled Link (SVGALS) Orders

2.0 Verifiable MFS dial tone at POT bay testable by NYNEX through appropriate tie cable pair as provided by MFS on the service request.

2.1 Accurate account and end user information submitted on service request

2.3 Accurate SVGAL tie cable and pair assignment provided by MFS on service request

2.4 Orders completed as submitted without cancellation after FOC

PRICING SCHEDULE

I. Reciprocal Compensation shall equal the rate set forth in the Parties' applicable tariffs as determined by the weighted average call volume distribution by time of day. Such rate for the first six months shall be:

Rate = \$.008 per minute

The rate for reciprocal compensation is to be adjusted bi-annually based upon the rates and formula set forth in this Pricing Schedule. The first adjustment shall occur on January 1, 1997 and future adjustments every six months thereafter.

II. Information Services Billing and Collection

Fee = \$.05 per message

III. BLV/BLVI Traffic

Rate = \$1.00 per Busy Line Verification
\$1.50 per Busy Line Verification Interrupt
(in addition to \$1.00 for Busy Line Verification)

IV. Transit Service

A. Transit Service

Rate = \$.0035 per minute

B. Dedicated Transiting Service

Rate = twice the applicable Service Access Charge ("SAC")

V. Interim Telecommunications Number Portability

A. Monthly Recurring Charges

Rate per Business Number = \$2
Rate per Residential Number = \$1

No additional charges shall apply for interim number portability, including additional per-path, per-port, or usage-related charges, except for third party and collect calls.

B. Non-recurring charge

Rate = \$20 per ported number

Non-recurring charges only apply when interim number portability is ordered separately from an unbundled link.

VI. IntraLATA 800

Reciprocal Compensation (refer to I above).

Compensation for records exchanged \$.0115 per record

800 Database inquiry \$.0054 per database inquiry

VII. Unbundled Links

A. Monthly Rates

Monthly Rates for all unbundled links described in Section 9 will be the rates specified by the Commission, as amended from time to time, subject to the provisions of Section 9.

VIII. 911/E911 Interconnection

Monthly Rate = \$252 per month for an unequipped DS1 Port and \$100 per month per voice grade trunk activated and equipped on the DS1 port.

IX. Wholesale Discounts

a. Month- to- month discounts

Reduction in line plus a percentage discount as follows:

	<u>Access Line</u>	<u>Residence</u>	<u>Business</u>
October 1, 1996	\$.90	6.5 %	6.6 %
October 1, 1997	\$ 1.05	8.1 %	8.0 %
October 1, 1998	\$ 1.25	9.5 %	9.4 %

b. Term and Volume Discounts

To be negotiated based on receipt of a Bona Fide Request

X.	Directory Assistance	
	Base Rate Unbranded	= \$.45 per message
	Branded Rate	= \$.50 per message
	Base Rate with Directory Assistance Call Completion (DACC)	= \$.55 per message
	Branded Rate with DACC	= \$.60 per message

Directory Assistance Volume/Term Discounts

Monthly Billed DA Volume	-----Term Commitments-----			
	1 Year	18 Months	2 Years	3 Years
\$0 - 1999	5%	10%	14%	18%
\$2000 - 5999	7%	12%	16%	20%
\$6000 - 9999	10%	15%	19%	23%
Above \$10,000	13%	18%	22%	26%

Discounts apply only for amounts in the applicable range. For example, under a one year term commitment with a monthly billed DA volume of \$2,500, the first \$1,999 would be discounted at 5% and the remaining \$501 at 7%. Discount will apply to branded DA and the DA portion of DACC.

PRICING SCHEDULE

Reciprocal Compensation Calculation

I. Time of Day Definitions - Tariff NYT PSC No.914 Section 4.1.7 (A) (1)

II. Base Rates - Per Minute of Use

Day Rate = \$.0098

Evening Rate = \$.0073

Night Rate = \$.0029

III. Formula for determining Reciprocal Compensation (%Day Traffic + %Evening Traffic + %
Night Traffic = 100% for each Party)

$$\frac{(\text{MFS-originated Day Minutes} + \text{NYNEX-originated Day Minutes}) * \text{Day Rate}}{\text{Total MFS} + \text{NYNEX Minutes}}$$

+

$$\frac{(\text{MFS-originated Evening Minutes} + \text{NYNEX-originated Evening Minutes}) * \text{Evening Rate}}{\text{Total MFS} + \text{NYNEX Minutes}}$$

+

$$\frac{(\text{MFS-originated Night Minutes} + \text{NYNEX-originated Night Minutes}) * \text{Night Rate}}{\text{Total MFS} + \text{NYNEX Minutes}}$$

EXHIBIT A**NETWORK ELEMENT BONA FIDE REQUEST**

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

2. A Network Element Bona Fide Request shall be submitted in writing and shall include a technical description of each requested Network Element.

3. The requesting Party may cancel a Network Element Bona Fide Request at any time, but shall pay the other Party's reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.

4. Within ten (10) business days of its receipt, the receiving Party shall acknowledge receipt of the Network Element Bona Fide Request.

5. Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a preliminary analysis of such Network Element Bona Fide Request. The preliminary analysis shall confirm that the receiving Party will offer access to the Network Element or will provide a detailed explanation that access to the Network Element is not technically feasible and/or that the request does not qualify as a Network Element that is required to be provided under the Act.

6. If the receiving Party determines that the Network Element Bona Fide Request is technically feasible and otherwise qualifies under the Act, it shall promptly proceed with developing the Network Element Bona Fide Request upon receipt of written authorization from the requesting Party. When it receives such authorization, the receiving Party shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals.

7. Unless the Parties otherwise agree, the Network Element Requested must be priced in accordance with Section 252(d)(1) of the Act.

8. As soon as feasible, but not more than ninety (90) days after its receipt of authorization to proceed with developing the Network Element Bona Fide Request, the receiving Party shall provide to the requesting Party a Network Element Bona Fide Request quote which will include, at a minimum, a description of each Network Element, the availability, the applicable rates and the installation intervals.

9. Within thirty (30) days of its receipt of the Network Element Bona Fide Request quote, the requesting Party must either confirm its order for the Network Element Bona Fide Request pursuant to the Network Element Bona Fide Request quote or seek arbitration by the Commission pursuant to Section 252 of the Act.

10. If a Party to a Network Element Bona Fide Request believes that the other Party is not requesting, negotiating or processing the Network Element Bona Fide Request in good faith, or disputes a determination, or price or cost quote, or is failing to act in accordance with section 251 of the Act, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.

Pursuant to this agreement, Metropolitan Fiber Systems of Florida, Inc. ("MFS") and GTE Florida Incorporated ("GTE") (collectively, "the Parties") will extend certain arrangements to one another within each LATA in which they both operate within the state of Florida, as described and according to the terms, conditions and pricing specified hereunder. The Parties enter into this agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum.

I. RECITALS & PRINCIPLES

WHEREAS, universal connectivity between common carriers is the defining characteristic of the public switched telecommunications network in which all common carriers participate; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, in the service of maximum inter-operability, the Parties should be able to efficiently, flexibly, and robustly exchange traffic and signaling at well-defined and standardized points of mutually agreed interconnection; and

WHEREAS, GTE Florida Incorporated is a local exchange telecommunications company (LEC) as defined by Section 364.02(6) of the Florida Statutes. Metropolitan Fiber Systems of Florida, Inc. (MFS) is an alternative local exchange telecommunications company (ALEC) as defined by Section 364.02(1); and

WHEREAS, Section 364.16, Florida Statutes, requires, among other things, GTE Florida to provide access to, and interconnection with, its telecommunications facilities to any other provider of local telecommunications services requesting such access and interconnection at non-discriminatory prices, rates, terms, and conditions established by the procedures set forth in Section 364.162, Florida Statutes; and

WHEREAS, Section 364.161, Florida Statutes, requires each LEC, upon request, to unbundle each of its network features, functions and capabilities, including access to signaling databases, systems and routing process, and offer them to any other telecommunications provider requesting such features, functions or capabilities for resale to the extent technically and economically feasible and at prices that are not below cost; and

WHEREAS, Sections 364.16 and 364.161 also requires LECs and ALECs to attempt to negotiate satisfactory rates, terms and conditions for interconnection and unbundling. If such negotiations fail, either party has the right to file a petition with

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MFS COMMUNICATIONS COMPANY, INC.

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the Florida Public Service Commission to establish such rates, terms and conditions; and

WHEREAS, on January 24, 1996, MFS filed petitions before the Commission in Docket Nos. 950984 and 950985 asking the Commission to establish rates, terms and conditions for interconnection and the provision of GTE Florida unbundled services and features to MFS; and

WHEREAS, GTE Florida and MFS, in an effort to avoid the uncertainties and expense of litigation before the Commission and appeals before the courts, desire to enter the following agreement which will serve as a partial settlement of Docket Nos. 950984 and 950985 noted above; and

WHEREAS, GTE Florida and MFS acknowledge and understand that this Agreement is entered into to resolve issues and matters which are unique to the State of Florida and is a result of compromise and negotiation. The parties further acknowledge that none of the provisions set forth herein shall be proffered by either GTE Florida or MFS or any of their affiliates in this or any other jurisdiction as evidence of any concession or as a waiver of any position or for any other purpose.

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

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- B. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- C. "CLASS Features" (also called "Vertical Features") include: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- D. "Co-Location" or "Co-Location Arrangement" is an interconnection architecture method in which one carrier extends network transmission facilities to a wire center/aggregation point in the network of a second carrier, whereby the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on the behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.
- E. "Commission" means the Florida Public Service Commission (PSC).
- F. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
- G. "DID" means direct inward dialing.
- H. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bit Per Second).
- I. "DS-3" is a digital signal rate of 44.736 Mbps.
- J. "DSX panel" is a cross-connect bay/panel used for the termination of equipment and facilities operating at digital rates.
- K. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 *CRIS Exchange Message Record*, a Bellcore document which defines industry standards for exchange message records.

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- M. "Exchange Service" refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network, and which enable such end users to place or receive calls to all other stations on the public switched telecommunications network.
- N. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to co-location arrangements and mid-fiber ment arrangements.
- O. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- P. "Interim Number Portability" or "INP" means the transparent delivery of Local Telephone Number Portability ("LTNP") capabilities, from a customer standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.
- Q. "ISDN" means Integrated Services Digital Network; a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D). Primary Rate Interface-ISDN (PRI-ISDN) provides for digital transmission of twenty-three (23) 64 Kbps bearer channels and one 16 Kbps data channel (23 B+D).
- R. "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to a ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone station set.
- S. "Link Element" or "Link" is a component of an Exchange Service; for purposes of general illustration, the "Link Element" is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in an GTE end office wire center, to a demarcation or connector block in/at a customer's premises. Traditionally, links were provisioned as 2-wire or 4-wire copper pairs running from the end office distribution frame to the customer premise; however, a link may be

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provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may in turn be distributed from a node location to the customer premise via a copper or coax drop facility, etc. Links fall into the following categories:

"2-wire analog voice grade links" will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This link is commonly used for local dial tone service.

"2-wire ISDN digital grade links" will support digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel. This is a 2B+D basic rate interface Integrated Services Digital Network (BRI-ISDN) type of loop which will meet national ISDN standards.

"4-wire DS-1 digital grade links" will support full duplex transmission of isochronous serial data at 1.544 Mbps. This T-1/DS-1 type of loop provides the equivalent of 24 voice grade/DS0 channels.

- T. "Local Exchange Carrier" or "LEC" means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this agreement.
- U. "Local Telephone Number Portability" or "LTNP" means the technical ability to enable an end user customer to utilize its telephone number in conjunction with any exchange service provided by any Local Exchange Carrier operating within the geographic number plan area with which the customer's telephone number(s) is associated, regardless of whether the customer's Chosen Local Exchange Carrier is the carrier which originally assigned the number to the customer, without penalty to either the customer or its chosen local exchange carrier.
- V. "Main Distribution Frame" or "MDF" is the primary point at which outside plant facilities terminate within a wire center, for interconnection to other telecommunications facilities within the wire center.
- W. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.

- X. "MECAB" refers to the *Multiple Exchange Carrier Access Billing (MECAB)* document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- Y. "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- Z. "Mid-Fiber Meet" is an interconnection architecture method whereby two carriers meet at a fiber splice in a junction box.
- AA. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries which employ NPA 809.
- BB. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- CC. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station

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numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.

- DD. "On-Line Transfer" means the transferring of an incoming call to another telephone number without the call being disconnected.
- EE. "Permanent Number Portability" or "PNP" means the use of a database solution to provide fully transparent LTRIP for all customers and all providers without limitation.
- FF. "Plain Old Telephone Service Traffic" or "POTS traffic." The parties agree that this includes local traffic as defined in GTE's tariff and disagree as to whether this includes non-local intraLATA toll traffic exchanged between the parties respective exchange customers.
- GG. "Port Element" or "Port" is a component of an Exchange Service; for purposes of general illustration, the "Port" is a line card and associated peripheral equipment on an GTE end office switch which serves as the hardware termination for the customer's exchange service on that switch and generates dial tone and provides the customer a pathway into the public switched telecommunications network. Each Port is typically associated with one (or more) telephone number(s) which serves as the customer's network address. Port categories include:

"2-wire analog line port" is a line side switch connection employed to provide basic residential and business type Exchange Services.

"2-wire ISDN digital line port" is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.

"2-wire analog DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide incoming trunk type Exchange Services.

"4-wire DS-1 digital DID trunk port" is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.

"4-wire ISDN digital DS-1 trunk port" is a Primary Rate Interface (PRI) trunk side switch connection employed to provide the ISDN Exchange Services.

- HH. "Rate Center" means the specific geographic point and corresponding geographic area which have been identified by a given LEC as being associated with a particular NPA-NXX code which has been assigned to the LEC for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The "rate center area" is the exclusive geographic area which the LEC has identified as the area within which it will provide Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.
- II. "Rating Point", sometimes also referred to as "Routing Point" means a location which a LEC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC which bear a certain NPA-NXX designation. Pursuant to Bellcore Practice BR 795-100-100, the Rating Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area.
- JJ. "Reference of Calls" refers to a process in which calls are routed to an announcement which states the new telephone number of an end user.
- KK. "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.
- LL. "Signal Transfer Point" or "STP" performs a packet switching function that routes signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services.
- MM. "Synchronous Optical Network" or "SONET" means synchronous electrical (STS) or optical (OC) channel connections between LECs.
- NN. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of non-POTS traffic to or from

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Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access.

- OO. "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and can not be used for the direct connection of ordinary telephone station sets.
- PP. "Wire Center" means a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

III. NETWORK INTERCONNECTION ARCHITECTURE

The Parties shall interconnect their networks as necessary to effect the Co-Carrier Arrangements identified in Parts V., VI., VII., and IX., as defined below:

- A. In each LATA identified below, the correspondingly identified wire center shall serve as the initial Designated Network Interconnection Point ("D-NIP") at which point MFS and GTE will interconnect their respective networks for inter-operability within that LATA.

<u>LATA</u>	<u>D-NIP</u>
Tampa	Tampa Main SWC (GTE) (MFS connects to GTE)
Tampa	Tampa Downtown Node (MFS) (GTE connects to MFS)

- B. Initially, MFS agrees to connect to GTE at GTE's Tampa Main Serving Wire Center (610 Morgan) and GTE agrees to reciprocally connect to MFS at MFS' Tampa downtown Node facility (Barnett Bank Building). Where MFS and GTE interconnect at a D-NIP, the parties may mutually agree to other arrangements including, but not limited to any of the following interconnection methods:

1. a mid-fiber meet at the D-NIP, or in a manhole or other appropriate junction point near to or just outside the D-NIP;

2. a digital cross-connection hand-off, DSX panel to DSX panel, where both MFS and GTE maintain such facilities at the D-NIP;
 3. a co-location facility maintained by MFS, or by a 3rd-party with whom MFS has contracted for such purposes, at an GTE wire center, where such wire center has been designated as the D-NIP; or
 4. a co-location facility maintained by GTE, or by a 3rd-party with whom GTE has contracted for such purposes, at an MFS wire center, where such wire center has been designated as the D-NIP.
- C. In extending network interconnection facilities to the D-NIP, MFS shall have the right to extend its own facilities or to lease dark fiber facilities (if available) or digital transport facilities from GTE or from any 3rd-party, subject to the following terms:
1. Such leased facilities shall extend from any point designated by MFS on its own network (including a co-location facility maintained by MFS at an GTE wire center) to the D-NIP or associated manhole or other appropriate junction point.
 2. Where MFS leases such facilities from GTE, MFS shall have the right to lease under non-discriminatory tariff or contract terms from GTE.
- D. Upon reasonable notice and if agreed to by GTE, MFS and GTE may change from one of the interconnection methods specified above, to one of the other methods specified above, with no penalty, conversion, or rollover charges.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this agreement shall be construed to in any manner limit or otherwise adversely impact any MFS' right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines¹.
- B. As contemplated by the Central Office Code Assignment Guidelines, MFS will designate within the geographic NPA with which each of its assigned

¹ Last published by the Industry Numbering Committee ("INC") as INC 95-0407-008, Revision 4/7/95, formerly ICCF 93-0729-010.

NXX codes is associated, a Rate Center area within which it intends to offer Exchange Services bearing that NPA-NXX designation, and a Rate Center point to serve as the measurement point for distance-sensitive traffic to/from the Exchange Services bearing that NPA-NXX designation.

- C. MFS will also designate a Rating Point for each assigned NXX code. MFS may designate one location within each Rate Center as the Rating Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS may designate a single location within one Rate Center to serve as the Rating Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS within the same LATA.
- D. Until such time MFS receives specific permission from the Commission to vary its rate centers from GTE's rate centers, MFS will agree to deploy a minimum of one NXX per established GTE rate center area.
- E. To the extent GTE serves as Central Office Code Administrator for a given region, GTE will support all MFS requests related to central office (NXX) code administration and assignments in an effective and timely manner.
- F. The Parties will comply with code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines.
- G. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.

V. **MEET-POINT BILLING ARRANGEMENTS**

A. **Description**

- 1. MFS may establish meet-point billing arrangements with GTE in order to provide Switched Access Services to third parties via an GTE access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.
- 2. Except in instances of capacity limitations, GTE shall permit and enable MFS to sub-tend the GTE access tandem switch(es) nearest

to the MFS Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS shall be allowed to sub-tend the next-nearest GTE access tandem switch in which sufficient capacity is available.

3. Interconnection for the meet-point arrangement shall occur at the GTE Tampa Main Serving Wire Center (SWC) D-NIP.
4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signaling is resident in the GTE access tandem switch.
5. MFS and GTE will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
6. As detailed in the MECAB document, MFS and GTE will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by MFS and GTE via the meet-point arrangement. Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.
7. MFS and GTE shall work cooperatively to coordinate rendering of meet-point bills to customers, and shall reciprocally provide each other, at no charge, the Usage Data, etc.

B. Compensation

1. Initially, billing to 3rd-parties² for the Switched Access Services jointly provided by MFS and GTE via the meet-point billing arrangement shall be according to the multiple-bill/multiple-tariff method.
2. Subsequently for billing to 3rd-parties for the Switched Access Services jointly provided by MFS and GTE via the meet-point arrangement, MFS and GTE may mutually agree to implement one

² Including any future GTE separate interexchange subsidiaries.

of the following options: single-bill/single tariff method, single-bill/multiple-tariff method, multiple-bill/single-tariff method, or multiple-bill/multiple-tariff method. Should MFS prefer to change among these billing methods, MFS shall notify GTE of such a request in writing, 90-days in advance of the date on which such change shall be implemented.

3. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in MFS's and GTE's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing factors specified for each meet-point arrangement either in those tariffs or in the NECA No. 4 tariff.
4. MFS shall be entitled to the balance of the switched access charge revenues associated with the jointly handled switched access traffic, less the amount of transport element charge revenues³ to which GTE is entitled pursuant to the above-referenced tariff provisions.
5. MPB will apply for all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC, full switched access rates will apply.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

The Parties shall reciprocally terminate POTS calls originating on each others' networks, as follows:

1. The Parties shall make available to each other the following traffic exchange trunk groups for the reciprocal exchange of POTS traffic at the respective D-NIPs:
 - a. GTE shall make available to MFS, at the GTE Tampa Main SWC, trunks over which MFS shall terminate to end users of GTE-provided Exchange Services, POTS traffic originated from end users of MFS-provided Exchange Services.

³ For purposes of clarification, this does not include the interconnection charge, which is to be remitted to the end office provider, which in this case would be MFS.

- b. MFS shall make available to GTE, at the MFS Tampa downtown Node, trunks over which GTE shall terminate to end users of MFS-provided Exchange Services, POTS traffic originated from end users of GTE-provided Exchange Service.
 - c. MFS and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. MFS and GTE agree to work cooperatively to agree on network trunking within 60 days upon execution of this agreement.
 - d. To the extent different rates are agreed upon or are ordered by the Commission for local and non-local traffic, the parties will provide each other appropriate percentages for the traffic carried over the trunk groups.
2. Reciprocal Traffic Exchange Arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
3. MFS and GTE agree to use their best collective efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the Reciprocal Traffic Exchange Arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.
4. The Parties will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all traffic exchange trunk groups. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signalling parameters will be provided including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. For traffic for which CCS is not available, in-band multi-frequency

(MF), wink start, E&M channel-associated signalling with ANI will be forwarded.

5. The Parties shall establish company-wide CCS interconnections STP-to-STP. Such STP links shall be reciprocally provided.

B. Compensation

MFS and GTE do not agree as to the compensation arrangements for the exchange of POTS (local/traditional toll) traffic. The parties agree that the rates for reciprocal compensation will be in accordance with any future Commission decision or mutual agreement of the parties.

VII. SHARED NETWORK PLATFORM ARRANGEMENTS

A. 9-1-1/E9-1-1

1. Description

- a. MFS will interconnect trunk groups to the GTE 9-1-1/E-9-1-1 selective routers/911 tandems which serve the areas in which MFS provides exchange services, for the provision of 9-1-1/E9-1-1 services and for access to all sub-tending Public Safety Answering Points. GTE will provide MFS with the appropriate CLI codes and specifications of the tandem serving area.
- b. GTE and MFS will arrange for the automated input and daily updating of 9-1-1/E-9-1-1 database information related to MFS end users. GTE will work cooperatively with MFS to ensure the accuracy of the data transfer by verifying it against the Master Street Address Guide (MSAG). Additionally, GTE shall work with the county to provide MFS the ten-digit POTS number of each PSAP which sub-tends each GTE selective router/9-1-1 tandem to which MFS is interconnected.
- c. GTE will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of MFS systems to the 9-1-1/E-9-1-1 platforms.

2. Compensation

For the provision of 911/E911 services between MFS and GTE, the parties will work cooperatively to address, any/all compensation issues within 60 days upon execution of this agreement. To the extent the parties are unable to agree within 60 days, either party may petition the Commission to seek resolution. MFS will be required to connect trunks to the 911/E911 tandem(s).

B. Exchange of 800 Traffic

1. Description

The Meet-point Billing terms and conditions contained in section V of this agreement apply for the exchange of 800 traffic.

2. Compensation

Applicable Switched Access Meet-point billing rates shall apply for all 800 calls per the terms and conditions contained in section V of this agreement.

C. Information Services Billing and Collection

1. Description

- a. MFS and GTE shall work cooperatively to reach agreement on all information services (e.g. 976, 974, N11, weather lines, sports lines, publisher lines, etc.) issues. The subsequent information services agreement shall enable MFS and GTE to reciprocally provide information services, originate and terminate information services calls between each other, bill and collect revenues from each others end users (including Information Providers), and reasonably compensate MFS and GTE.

D. Directory Listings and Directory Distribution

MFS and GTE agree that an additional agreement will be required to effectuate the terms of this section and will work cooperatively to execute the additional agreement within 60 days upon the execution of this agreement.

1. Description

The directory listings and distribution terms and rates specified in this section shall apply to listings of MFS customer numbers falling within NXX codes directly assigned to MFS, and to listings of MFS customer telephone numbers which are retained by MFS pursuant to Local Telephone Number Portability Arrangements described below. The terms of this section may require a subsequent additional agreement with GTE's Directory Publishing company.

- a. GTE will include MFS's customers' telephone numbers in all its "White Pages" and "Yellow Pages" directory listings and directory assistance databases associated with the areas in which MFS provides services to such customers, and will distribute such initial directories and directory updates to such customers, in the identical and transparent manner in which it provides those functions for its own customers' telephone numbers.
- b. MFS will provide GTE with its directory listings and daily updates to those listings in an industry-accepted format; GTE will provide MFS a magnetic tape or computer disk containing the proper format.
- c. MFS and GTE will accord MFS' directory listing information the same level of confidentiality which GTE accords its own directory listing information, and GTE shall ensure that access to MFS's customer proprietary confidential directory information will be limited solely to those GTE employees who are directly involved in the preparation of listings.

2. Compensation

- a. GTE and MFS will work cooperatively to address any payments for sales of any bulk directory lists to third parties, where such lists include MFS customer listings and any compensation due GTE for administrative functions associated with furnishing listings to third parties. GTE will not provide/sell MFS' listings to any third parties without MFS' prior written approval.
- b. GTE shall provide directory distribution, directory database maintenance, and directory listings for MFS and its customers under the same terms that GTE provides these same services for its end users. In-area directory delivery, database maintenance, and basic "White" and "yellow" page

listings will be at no fee. Out-of-area directory delivery and enhanced listings, i.e. bolding, indentation, second listings, etc., will be per GTE's currently tariffed or non-discriminately available contract rates.

E. Directory Assistance (DA)

1. Description

At MFS' request, GTE will:

- a. provide to MFS unbranded directory assistance service MFS which is comparable in every way to the directory assistance service GTE makes available to its own end users;
- b. provide to MFS directory assistance service under MFS's brand which is comparable in every way to the directory assistance service GTE makes available to its own end users;

2. When available, at MFS' request, GTE will:

- a. provide to MFS operators or to an MFS-designated operator bureau on-line access to GTE's directory assistance database, where such access is identical to the type of access GTE's own directory assistance operators utilize in order to provide directory assistance services to GTE end users;
- b. allow MFS or an MFS-designated operator bureau to license GTE's directory assistance database for use in providing competitive directory assistance services; and/or
- c. in conjunction with VII.E.1.a. or VII.E.1.b., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service GTE makes available to its own end users. When this functionality is available, GTE will route the calls back to MFS for MFS to complete the customer call.

3. Compensation

GTE will charge MFS its wholesale IXC/LEC rates for the following functionality:

- a. \$0.25 per unbranded directory assistance intrastate call.
- b. \$0.25 per branded directory assistance intrastate call.
- c. \$0.28 per unbranded directory assistance interstate call.
- d. \$0.28 per branded directory assistance interstate call.

When available:

- e. \$0.0_ per use of caller-optional directory assistance call completion. (Future)
- f. \$0.0_ per directory assistance database query. (Future)
- g. \$ _ for licensing of each directory assistance database. (Future)

F. Yellow Page Maintenance

GTE will work cooperatively with MFS to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS (including customers utilizing MFS-assigned telephone numbers and MFS customers utilizing co-carrier number forwarding) are maintained without interruption. GTE will allow MFS customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. GTE and MFS will work cooperatively to investigate with GTE Directory Publishing whether GTE would implement a commission program whereby MFS may act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS's exchange service customers.

G. Transfer of Service Announcements

When an end user customer changes from GTE to MFS, or from MFS to GTE, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number upon request. This announcement will provide details on the new number to be dialed to reach this customer. These arrangements will be provided reciprocally

based upon current practice with GTE's customers to either the other carrier or the end user customer.

H. Coordinated Repair Calls

MFS and GTE will employ the following procedures for handling misdirected repair calls:

1. MFS and GTE will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.
3. MFS and GTE will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party operating in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. MFS and GTE will reciprocally provide adequate connectivity to facilitate this capability.

2. Compensation

Each Party shall compensate the other Party for BLV and BLVI inquiries according to the following rates:

	<u>per inquiry</u>
BLV	\$0.65

BLVI

\$0.65

J. Information Pages

GTE will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS, listings provided by MFS for MFS's installation, repair and customer service and other information. This term may require an additional agreement with GTE Directory Publishing.

K. Operator Reference Database (ORDB)

If available, GTE will work cooperatively with MFS to assist MFS in obtaining from the appropriate 911 government agencies monthly updates to the Operator Reference Database (ORDB). If available, this will enable MFS to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc), as a back-up to 911, during a catastrophic situation.

VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS

A. Description

GTE shall unbundle all its Exchange Services into three separate packages: (1) link element; (2) port element; and (3) cross-connect element. The following link and port categories shall be provided:

Link Categories

2/4-wire analog voice grade
2 wire ISDN digital grade
4-wire DS-1 digital grade

Port Categories

2/4-wire analog line
2-wire ISDN digital line
2-wire analog DID trunk
4-wire DS-1 digital DID trunk
4-wire ISDN DS-1 digital trunk

GTE shall unbundle and separately price and offer these elements such that MFS will be able to lease and interconnect to whichever of these unbundled elements MFS requires, and to combine the GTE-provided elements with any facilities and services that MFS may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

1. Interconnection shall be achieved via co-location arrangements MFS shall maintain at the wire center at which the unbundled elements are resident.

2. Each link or port element shall be delivered to the MFS co-location arrangement over a loop/port connector applicable to the unbundled service delivered, through other tariffed or contracted options, or through other technically feasible and economically comparable hand-off arrangements in accordance with agreements between MFS and GTE.
3. To the degree possible all transport-based features, functions, service attributes, grades-of-service, install, maintenance and repair intervals which apply to the bundled service should apply to unbundled links.
 - a. GTE will not monitor the unbundled loop for maintenance purposes. MFS will be required to provision a loop testing device either in its central office, Network Control Center, or in their collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by MFS.
4. To the degree possible all switch-based features, functions, service attributes, grades-of-service, and install, maintenance and repair intervals which apply to the bundled service should apply to unbundled ports.
5. GTE and MFS will work cooperatively to attempt to accommodate MFS' requirement for billing of all unbundled facilities purchased by MFS (either directly or by previous assignment by a customer) on a single consolidated statement per wire center. GTE will work toward billing at a wire center level, however, in the initial phases of unbundling, GTE's billing will be at a state level, or at an aggregate account level based on GTE's billing cycles.
6. Where GTE utilizes digital loop carrier ("DLC")⁴ technology to provision the link element of an bundled Exchange Service to an end user customer who subsequently determines to assign the link element to MFS and receive Exchange Service from MFS via such link, GTE shall use its best efforts to deliver such link to MFS on an unintegrated basis, pursuant to MFS' chosen hand-off architecture, without a degradation of end user service or feature availability. GTE and MFS recognize that there may be technical

⁴ See, Bellcore TR-TSY-000008, *Digital Interface Between the SLC-88 Digital Loop Carrier System and Local Digital Switch* and TR-TSY-000303, *Integrated Digital Loop Carrier (IDLC) Requirements, Objectives, and Interface*.

limitations that may need to be addressed to enable this requirement, therefore MFS and GTE agree to begin working cooperatively to address any technical issues within 90 days upon execution of this agreement.

7. GTE will permit MFS to co-locate digital loop carriers and associated equipment in conjunction with co-location arrangements MFS maintains at an GTE wire center, for the purpose of interconnecting to unbundled link elements.
8. To provide future order and trouble reporting GTE shall work cooperatively with MFS to attempt accommodating MFS' requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which MFS may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements.

B. Compensation

MFS and GTE do not agree as to compensation rates for Unbundled Exchange Access Arrangements.

IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS

A. Description

GTE and MFS will provide Interim Number Portability (INP) on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction an Exchange Service provided by the other carrier, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

1. MFS and GTE will provide reciprocal INP immediately upon execution of this agreement via call forwarding. GTE and MFS will migrate from INP to a database-driven Permanent Number Portability arrangement as soon as practically possible, without interruption of service to their respective customers.
2. INP shall operate as follows:
 - a. A customer of Carrier A elects to become a customer of Carrier B. The customer elects to utilize the original

telephone number(s) corresponding to the Exchange Service(s) it previously received from Carrier A, in conjunction with the Exchange Service(s) it will now receive from Carrier B. Upon receipt of a signed letter of agency from the customer assigning the number to Carrier B, Carrier A will implement one of the following arrangements:

(1) For the initial implementation of the portability of telephone numbers, Carrier A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Carrier B. Carrier A will route the forwarded traffic to Carrier B via the mutual traffic exchange arrangements, as if the call had originated from the original telephone number and terminated to the new telephone number.

- b. Carrier B will become the customer of record for the original Carrier A telephone numbers subject to the INP arrangements. Carrier A will provide Carrier B a single consolidated master billing statement for INP. GTE will explore the possibility of enabling collect, calling card, and 3rd-number billed calls associated with those numbers to enable MFS to rebill its newly acquired customers for those functions. Also, GTE will explore the possibility of sub-account detail for collect, calling card, and 3rd-number billed calls, and the capability of having billing statements delivered in real time via an agreed-upon Electronic data transfer, or via daily or monthly magnetic tape.
- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers and cancel calling cards associated with those forwarded numbers.
- d. Within two (2) business days of receiving notification from the customer, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.

3. Under INP, MFS and GTE will implement a process to coordinate INP cut-overs with Unbundled Loop conversions within a reasonable time that is acceptable to customers. MFS and GTE pledge to use their best efforts to ensure that INP arrangements will not be utilized in instances where a customer changes locations and would otherwise be unable to retain its number without subscribing to foreign exchange service.
4. Per the Florida Public Service Commission's order in Docket No. 950737-TP, MFS and GTE may continue to develop Direct Inward Dialing-type number portability arrangements.

B. Compensation

1. MFS and GTE shall provide INP arrangements to one another either at the rates ordered by the Florida Public Service Commission in Docket No. 950737-TP or at MFS' option, other mutually agreed upon rates, except for authorized collect, calling card and 3rd-number billed calls billed to the retained numbers.
2. For all traffic terminated between MFS and GTE to the party whose customer ultimately receives the call, reciprocal compensation charges and Switched Access charges (pursuant to each carrier's respective tariffs), shall apply for POTS traffic and non-POTS traffic. For compensation purposes, a mutually agreed surrogate will have to be developed as neither MFS nor GTE can classify this traffic.

X. RESPONSIBILITIES OF THE PARTIES

- A. GTE and MFS agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. MFS and GTE will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this agreement.
- C. MFS and GTE agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. For network expansion, MFS and GTE will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by

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engineering requirements for both GTE and MFS. GTE and MFS are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.

- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees for any mutually beneficial network interconnections associated with the initial reconfiguration for traffic exchange, 911/E911, Interim Number Portability, Meet-point Billing, Directory Assistance, Information Services, Common Channel Signalling, and BLV/BLV connectivity.
- F. With respect to any outstanding issues set forth in this agreement requiring an additional agreement within 60 (sixty) days, each party will use its best efforts to address all such outstanding items within that time period. Failure to reach agreement on these additional issues will not affect the enforceability of this agreement.

XI. TERM

MFS and GTE agree to provide service to each other on the terms defined in this agreement until superseded by amended or additional mutually agreeable arrangements approved by the Commission, whichever occurs first. By mutual agreement, MFS and GTE may amend this agreement to extend the term of this agreement. Also by mutual agreement, GTE and MFS may jointly petition the appropriate regulatory bodies for permission to have this agreement supersede any future standardized agreements or rules such regulators might adopt or approve.

XII. INSTALLATION

GTE and MFS shall effectuate all the terms of this agreement within 90 days upon execution of this agreement.

XIII. NETWORK MAINTENANCE AND MANAGEMENT

MFS and GTE will work cooperatively to install and maintain a reliable network. MFS and GTE will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

MFS and GTE will work cooperatively to apply sound network management principles by invoking network management controls to alleviate or to prevent congestion.

XIV. OPTION TO ELECT OTHER TERMS

If, at any time while this agreement is in effect, either of the parties to this agreement provides arrangements similar to those described herein to a third party operating within the same LATAs (including associated Extended Area Service Zones in adjacent LATAs) as for which this agreement applies, on terms different from those available under this agreement (provided that the third party is authorized to provide local exchange services), then the other party to this agreement may opt to adopt the rates, terms, and conditions offered to the third party for its own reciprocal arrangements with the first party. This option may be exercised by delivering written notice to the first party.

XV. CANCELLATION, CONVERSION, NON-RECURRING OR ROLL-OVER CHARGES

Unless mutually agreed otherwise, neither MFS nor GTE shall impose cancellation charges upon each other for any beneficial network interconnection functions.

XVI. FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations related to the performance so interfered with). The affected party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

**MFS/GTE
PARTIAL FLORIDA CO-CARRIER AGREEMENT**

XVII. OTHER PROVISIONS

GTE and MFS acknowledge that additional terms and conditions (including, but not limited to provisions relating to limitation of liability, indemnity, severability, notices, assignment, dispute resolution, cancellation, default, and non-disclosure) will need to be agreed prior to interconnection. The parties agree to negotiate these terms and conditions within five (5) calendar days after execution of this agreement.

.....

If this agreement is acceptable to MFS and GTE, both parties shall sign in the space provided below. This agreement shall not bind MFS and GTE until executed by both parties.

Timothy T. Devine
Sign 2-19-96 Date

Donald W. McVane
Sign 2-19-96 Date

Timothy T. Devine
Print Name

Donald W. McVane
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Vice President Regulatory Affairs
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Metropolitan Fiber Systems of Florida, Inc.

GTE Florida Incorporated

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MFS COMMUNICATIONS COMPANY, INC.

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Benchmark Cost Model:

A Joint Submission by

MCI Communications Inc.

NYNEX Corporation

Sprint Corporation

U S WEST, Inc.

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CC Docket No. 80-286

December 1, 1995

7478-96

I. Executive Summary

On July 13, 1995, the Federal Communications Commission (FCC) issued a Notice of Proposed Rulemaking (NPRM) "...seeking comments on proposals and policy changes to improve...assistance mechanisms intended to provide funds necessary to promote universally available service at reasonable rates." The FCC identified four "primary principles" which should be considered in evaluating any proposals for addressing universal service. These principles provide that a plan should:

1. Be properly targeted so that support is given only to those service providers or users who need assistance to maintain local service.
2. Promote efficient investment and operation.
3. Not impose excessive subsidy costs upon interstate carriers and ratepayers.
4. Not impose barriers to competitive entry into local telecommunications.

Elsewhere in the NPRM, the FCC states:

- o "We tentatively conclude that Census Block Group is an appropriately-sized geographic area for disaggregating the costs of providing local service..."
- o "...we believe a proposal to use proxy factors to determine distribution of the Fund should receive serious consideration..."

In order that parties commenting in this proceeding may have a common source of data which utilizes both the concept of the Census Block Groups (CBGs)¹ and proxy costing, MCI, NYNEX, Sprint, and US West (Joint Sponsors) have worked together to develop a Benchmark Costing Model (BCM). This model will produce "benchmark" costs for the provision of basic telephone service² in each CBG within a state. The purpose of this study is to identify those CBGs in which the cost of providing basic telephone service is so high that some form of explicit high-cost support may be necessary as part of a universal service solution. The BCM is intended to provide the Commission, Joint Board, and other interested parties with information that can be used to evaluate the multiple proposals for the use of proxy methods set forth in the NPRM, including assessing the application of the proxy methodology to large companies only.

¹ A CBG is a geographic unit defined by the Bureau of the Census which contains approximately 400 households.

² Basic telephone service is defined as voice grade access to the public switched network with the ability to place and receive calls, residential one party service, touch tone, a white page directory listing (costs not included), and access to directory assistance, operator service, and emergency services, e.g., 911/E911.

In developing the BCM, the Joint Sponsors have further developed the previously-submitted proxy models which accounted for density and distance from the nearest central office as factors affecting the cost of service. The Joint Sponsors have also attempted to respond to the FCC's desire to see additional variables which could affect the cost of providing service, such as terrain, slope, surface characteristics, and climate included in the analysis.

The BCM presents monthly cost results using two alternative factors for determining expenses and overhead loadings associated with basic local service. One set of factors is based on historical accounting data, while the second is based on an estimate of costs and overheads using the methodology contained in the MCI/Hatfield study.

On September 12, 1995, the Joint Sponsors submitted a detailed description of the BCM Model and the results of the model for six states. On November 1, 1995, the Joint Sponsors made a second filing which provided model results for 17 additional states. In this filing the Joint Sponsors are presenting the results of this model for the remaining 26 states and the District of Columbia. (Model results are not being presented for Alaska due to data limitations). In order that this document may serve as complete summary of the BCM study, we are also including the 23 states' results and model documentation which have been submitted previously.

It is important to understand what the BCM is, and what it is not:

1. The purpose of the BCM is to identify areas where cost of service can reasonably be expected to be so high as to require explicit high cost support for the preservation of universal service.
2. The BCM produces a benchmark cost range for a defined set of basic residential telephone services assuming efficient engineering and design criteria and deployment of current state-of-the-art loop and switching technology, using the current national local exchange network topology.
3. The BCM does not define the actual cost of any telephone company, nor the embedded cost that a company might experience in providing telephone service today. Rather, the BCM provides a benchmark measurement of the relative costs of serving customers residing in given areas, i.e., the CBGs.
4. The BCM included only residential lines in the analysis, because business line source data was not readily available. However, because the primary purpose of the study is to identify high cost CBGs, the impact of excluding business lines from the calculation of the benchmark cost in those CBGs is de minimus.

The Joint Sponsors have held four workshops to describe the workings of the BCM, and to provide copies of the copyrighted model for use by interested parties.³ These workshops were held at the following locations:

September 20, 1995	Washington, DC
September 22, 1995	Denver, CO
October 12, 1995	Portsmouth NH
November 12, 1995	New Orleans, LA

By making the model publicly available, the Joint Sponsors hope that the Commission, Joint Board and other interested parties will be able to obtain facts, data, and policy recommendations which will assist in the timely resolution of the important issues relating to universal service.

³ The Joint Sponsors grant to all parties the right to use the BCM and its results. No right is granted to license or sell the BCM, or any portion thereof, or to reverse engineer or decompile the BCM, or any portion thereof. In addition, except for inputs intended to be modified by the user, no right is granted to modify the BCM, or any portion thereof.

II. Summary Model Results

Narrative

The model results summarized below show the annual benchmark cost and the aggregate support at various illustrative price points, and assuming two different annual cost factor assumptions.

Annual benchmark cost: The actual benchmark cost for each CBG in a particular state is multiplied by the number of households in each CBG. This monthly total benchmark cost for each CBG is multiplied by 12 to yield the annual benchmark cost for each CBG; all CBG benchmark costs in a state are summed to derive the statewide annual benchmark cost.

Aggregate support: The actual benchmark cost for each CBG is compared to illustrative price points of \$20, \$30, and \$40. The difference between the benchmark costs for each CBG that exceeds the illustrative price points and the illustrative price points themselves is multiplied by the number of households in that CBG, and annualized. The result is the aggregate support in excess of the price point(s).

Annual Cost Factors: Annual Cost Factor # 1 (31.6765%) is based on historical accounting data and total expense levels of the Tier 1 LECs utilizing 1994 ARMIS Form 43-01. Annual Cost Factor # 2 (22.97%) is based on the Hatfield/MCI study approach and reflects limited expense categories and amounts.

Summary Model Results

National Total (exciuding Alaska)

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	25,377,893,663	18,402,608,162
Aggregate Support		
at \$20	8,082,313,345	3,977,572,193
at \$30	4,916,517,444	2,203,441,910
at \$40	3,208,565,853	1,372,205,121
Average Monthly Cost	23.04	16.71

Alabama

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	478,219,936	346,777,956
Aggregate Support		
at \$20	188,638,903	93,725,107
at \$30	112,776,003	38,823,453
at \$40	58,728,461	16,627,173
Average Monthly Cost	26.46	19.19

Arkansas

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	359,110,029	266,406,212
Aggregate Support		
at \$20	182,192,180	102,449,522
at \$30	129,645,111	61,443,344
at \$40	89,397,329	35,000,011
Average Monthly Cost	33.56	24.34

Connecticut

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	277,481,627	201,213,927
Aggregate Support		
at \$20	45,297,251	9,885,361
at \$30	9,092,329	911,711
at \$40	1,560,221	130,686
Average Monthly Cost	18.80	13.63

Washington D.C.

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	33,429,915	24,241,477
Aggregate Support		
at \$20	386,284	11,299
at \$30	8,112	2,415
at \$40	3,495	1,350
Average Monthly Cost	11.19	8.11

Delaware

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	65,040,648	47,163,786
Aggregate Support		
at \$20	14,434,908	4,238,120
at \$30	4,293,345	478,815
at \$40	835,378	41,326
Average Monthly Cost	21.93	15.90

Iowa

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	403,637,170	292,694,767
Aggregate Support		
at \$20	199,546,468	116,562,460
at \$30	150,158,735	77,297,749
at \$40	111,343,467	47,148,066
Average Monthly Cost	31.58	22.90

Idaho

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	177,553,490	128,751,714
Aggregate Support		
at \$20	103,131,867	63,763,202
at \$30	83,829,221	49,526,409
at \$40	69,852,699	40,482,749
Average Monthly Cost	40.94	29.69

Illinois

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,044,152,034	757,159,794
Aggregate Support		
at \$20	268,441,873	126,016,370
at \$30	156,359,606	68,211,635
at \$40	100,477,083	32,918,173
Average Monthly Cost	20.73	15.03

Indiana

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	509,868,562	369,727,744
Aggregate Support		
at \$20	163,189,750	78,217,366
at \$30	92,882,504	27,723,246
at \$40	43,359,413	6,343,097
Average Monthly Cost	20.58	14.93

Kansas

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	374,112,071	271,284,841
Aggregate Support		
at \$20	180,378,119	105,488,778
at \$30	136,217,572	73,798,477
at \$40	105,155,722	53,941,480
Average Monthly Cost	33.01	23.94

Kentucky

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	421,412,669	305,584,550
Aggregate Support		
at \$20	167,195,395	82,163,174
at \$30	97,677,858	28,285,108
at \$40	44,434,754	6,097,407
Average Monthly Cost	25.45	18.46

Louisiana

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	475,583,988	344,866,517
Aggregate Support		
at \$20	169,784,334	81,494,865
at \$30	99,608,332	40,846,170
at \$40	60,337,002	21,400,941
Average Monthly Cost	26.45	19.18

Massachusetts

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	353,429,526	256,287,033
Aggregate Support		
at \$20	33,687,989	11,160,712
at \$30	11,869,456	2,308,502
at \$40	3,667,359	621,926
Average Monthly Cost	13.12	9.52

Maryland

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	389,661,614	282,560,487
Aggregate Support		
at \$20	66,366,464	19,666,656
at \$30	20,298,815	3,487,514
at \$40	5,729,236	850,440
Average Monthly Cost	18.56	13.46

Maine

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	191,360,857	138,764,033
Aggregate Support		
at \$20	91,511,997	46,459,613
at \$30	56,594,204	21,991,367
at \$40	32,734,996	11,678,148
Average Monthly Cost	34.24	24.83

Michigan

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	943,057,540	683,851,805
Aggregate Support		
at \$20	257,219,226	108,343,921
at \$30	126,511,571	41,068,364
at \$40	62,266,095	18,759,626
Average Monthly Cost	22.95	16.64

Minnesota

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	582,640,216	422,497,617
Aggregate Support		
at \$20	251,057,721	138,762,089
at \$30	177,348,577	91,139,188
at \$40	130,923,818	60,126,516
Average Monthly Cost	29.46	21.36

Missouri

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	669,081,764	485,180,122
Aggregate Support		
at \$20	272,671,535	147,318,862
at \$30	186,480,015	90,000,883
at \$40	130,428,160	53,958,868
Average Monthly Cost	28.43	20.61

Mississippi

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	350,124,060	253,890,097
Aggregate Support		
at \$20	167,296,837	90,535,873
at \$30	112,687,214	46,260,187
at \$40	68,893,152	20,428,355
Average Monthly Cost	32.04	23.24

Montana

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	201,120,278	145,841,011
Aggregate Support		
at \$20	137,543,648	89,722,277
at \$30	120,056,275	76,350,482
at \$40	106,884,249	66,063,197
Average Monthly Cost	54.58	39.58

North Carolina

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	825,143,477	598,347,219
Aggregate Support		
at \$20	277,776,407	107,179,114
at \$30	118,281,404	27,405,883
at \$40	43,540,414	7,446,739
Average Monthly Cost	27.32	19.81

North Dakota

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	146,812,703	106,460,240
Aggregate Support		
at \$20	96,802,522	62,169,500
at \$30	82,827,192	51,199,145
at \$40	71,977,605	41,956,643
Average Monthly Cost	50.60	36.69

Nebraska

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	264,249,705	191,618,889
Aggregate Support		
at \$20	143,806,566	87,092,457
at \$30	113,769,610	64,930,437
at \$40	92,052,732	49,280,510
Average Monthly Cost	36.53	26.49

New Hampshire

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	139,777,010	101,358,355
Aggregate Support		
at \$20	52,122,769	22,416,755
at \$30	25,872,915	8,246,125
at \$40	12,567,163	3,306,598
Average Monthly Cost	28.31	20.53

New Jersey

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	565,502,313	410,070,182
Aggregate Support		
at \$20	66,633,260	15,651,652
at \$30	15,225,239	2,035,160
at \$40	3,448,143	574,861
Average Monthly Cost	16.86	12.23

New Mexico

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	226,245,135	164,060,131
Aggregate Support		
at \$20	122,422,170	76,856,659
at \$30	101,823,826	62,386,523
at \$40	87,644,588	52,586,908
Average Monthly Cost	34.67	25.14

Nevada

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	163,643,391	118,664,899
Aggregate Support		
at \$20	78,117,234	49,893,909
at \$30	66,730,979	42,737,556
at \$40	59,764,714	37,566,658
Average Monthly Cost	29.17	21.15

New York

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,319,717,516	956,984,242
Aggregate Support		
at \$20	262,283,383	107,288,678
at \$30	123,530,926	34,783,168
at \$40	54,031,815	11,597,610
Average Monthly Cost	16.58	12.02

Ohio

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,049,913,978	761,338,029
Aggregate Support		
at \$20	263,233,990	101,837,376
at \$30	115,005,171	28,342,180
at \$40	45,063,834	4,825,394
Average Monthly Cost	21.40	15.52

Oklahoma

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	385,269,452	279,375,541
Aggregate Support		
at \$20	177,458,956	101,447,067
at \$30	129,459,076	63,644,073
at \$40	92,077,577	39,784,401
Average Monthly Cost	26.59	19.28

Oregon

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	371,228,402	269,193,768
Aggregate Support		
at \$20	149,614,035	82,401,012
at \$30	105,849,712	57,091,736
at \$40	81,237,329	44,193,044
Average Monthly Cost	27.99	20.29

Pennsylvania

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	1,091,050,041	791,167,567
Aggregate Support		
at \$20	268,676,086	101,534,865
at \$30	111,900,283	27,767,054
at \$40	43,619,805	8,154,254
Average Monthly Cost	20.24	14.67

Rhode Island

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	79,973,763	57,992,434
Aggregate Support		
at \$20	9,946,681	2,171,061
at \$30	2,006,640	165,630
at \$40	277,591	27,645
Average Monthly Cost	17.67	12.82

South Carolina

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	431,266,937	312,730,306
Aggregate Support		
at \$20	156,897,627	66,996,775
at \$30	77,581,928	23,517,038
at \$40	36,152,774	7,626,747
Average Monthly Cost	28.55	20.70

South Dakota

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	159,230,001	115,464,560
Aggregate Support		
at \$20	103,918,136	65,008,292
at \$30	85,592,469	50,592,673
at \$40	71,437,397	40,271,848
Average Monthly Cost	51.02	37.00

Tennessee

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	606,503,620	439,802,003
Aggregate Support		
at \$20	210,868,030	89,856,583
at \$30	104,685,235	31,546,029
at \$40	48,862,492	9,385,469
Average Monthly Cost	27.27	19.77

Texas

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,834,191,976	1,330,051,922
Aggregate Support		
at \$20	614,793,792	320,505,220
at \$30	407,350,031	208,430,060
at \$40	299,254,547	142,862,708
Average Monthly Cost	25.14	18.23

Utah

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	180,531,167	130,910,956
Aggregate Support		
at \$20	76,062,725	45,322,483
at \$30	59,883,425	36,850,370
at \$40	51,749,235	31,362,068
Average Monthly Cost	28.01	20.31

Virginia

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	546,405,997	396,222,618
Aggregate Support		
at \$20	168,790,330	81,488,401
at \$30	96,459,863	26,969,156
at \$40	42,412,542	6,777,592
Average Monthly Cost	19.85	14.39

Vermont

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	91,034,804	66,013,273
Aggregate Support		
at \$20	45,617,584	23,623,979
at \$30	28,814,995	10,607,622
at \$40	16,025,642	4,003,358
Average Monthly Cost	36.02	26.12

Washington

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	527,310,355	382,375,542
Aggregate Support		
at \$20	161,030,897	79,175,608
at \$30	99,668,494	51,566,769
at \$40	73,615,579	38,317,516
Average Monthly Cost	23.48	17.02

Wisconsin

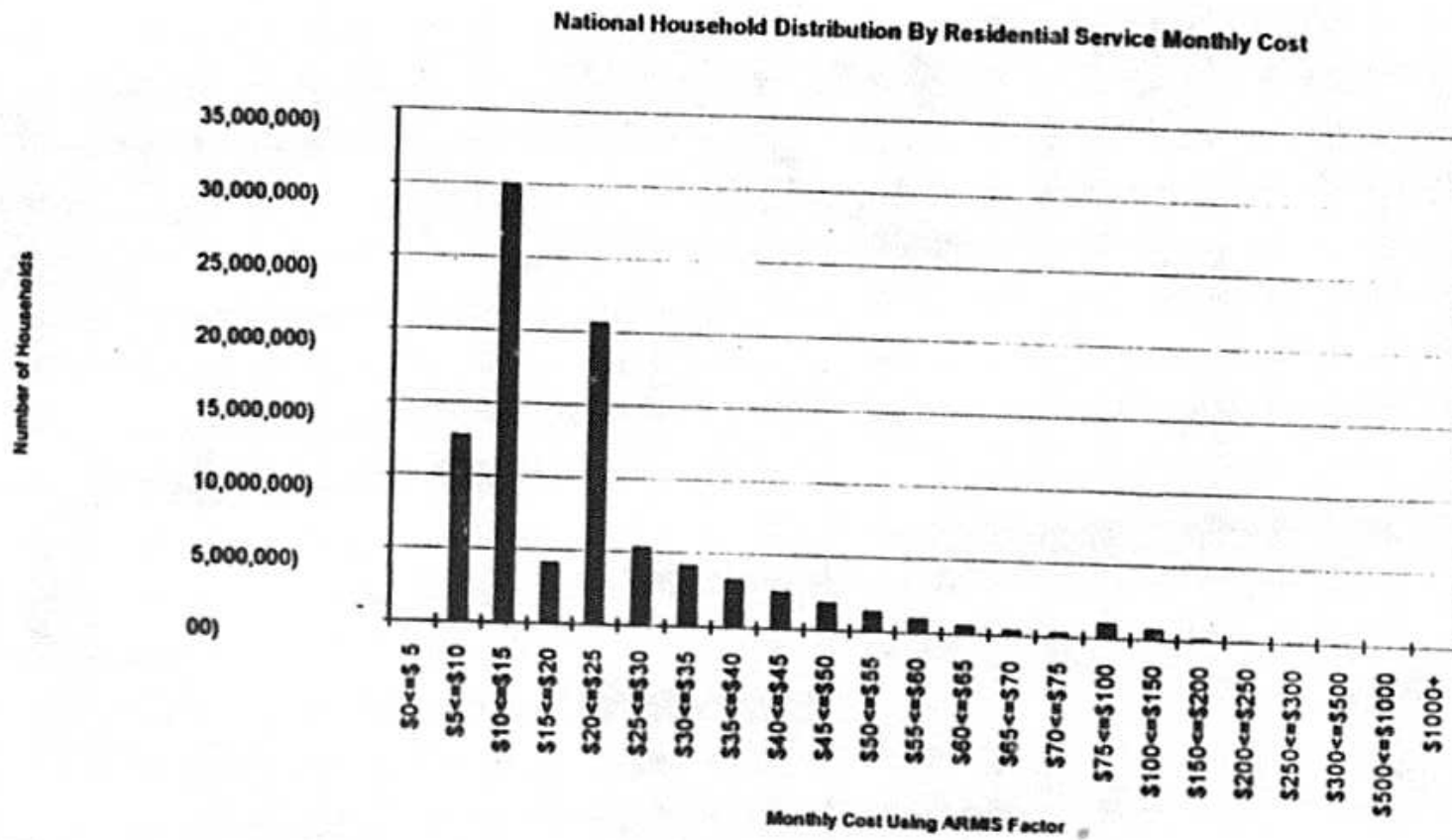
	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	595,045,512	431,493,234
Aggregate Support		
at \$20	230,674,953	117,769,157
at \$30	145,460,822	61,250,999
at \$40	90,485,173	29,263,954
Average Monthly Cost	27.18	19.71

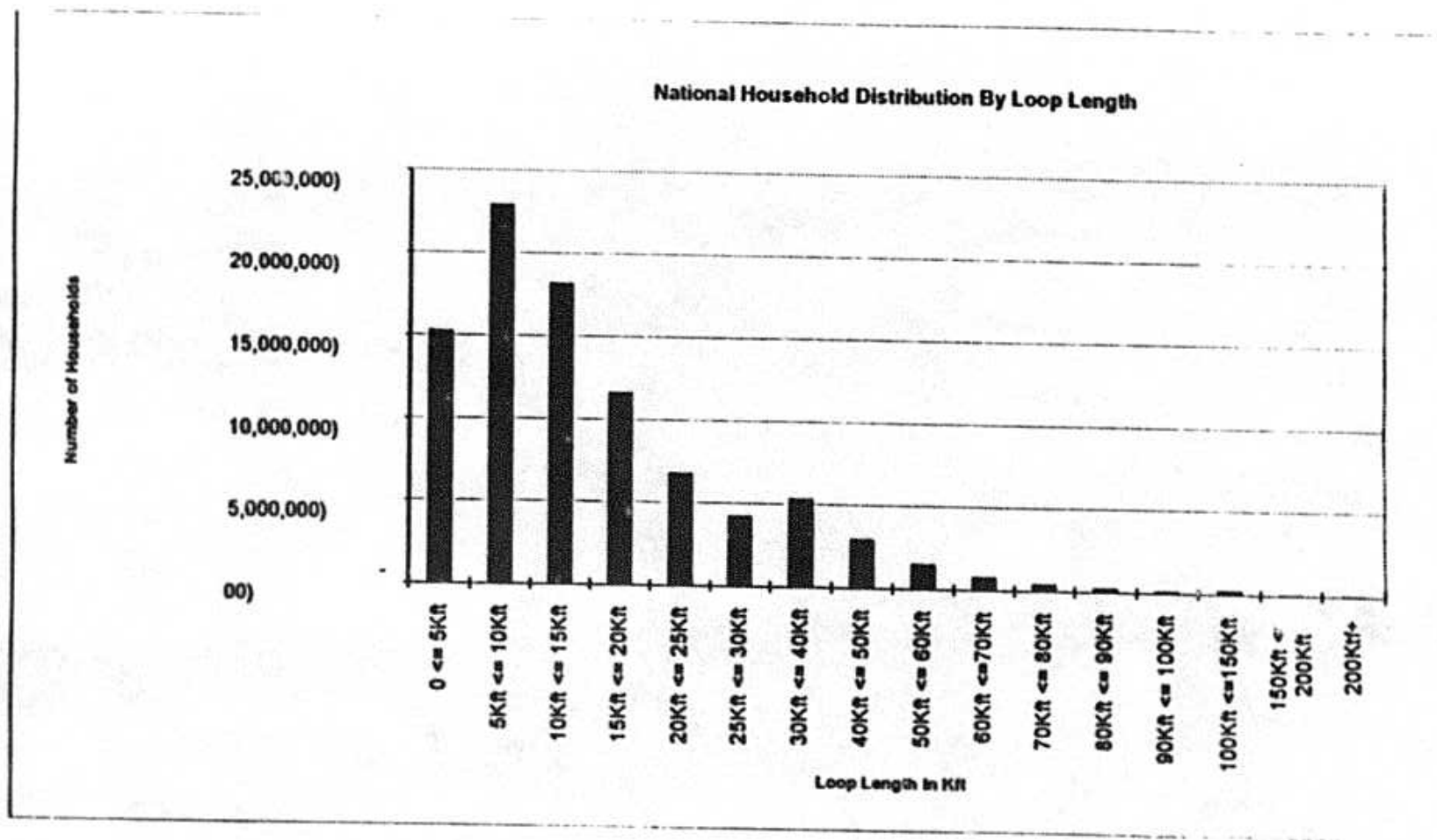
West Virginia

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	259,851,902	188,429,851
Aggregate Support		
at \$20	113,295,618	53,915,812
at \$30	64,033,087	21,365,155
at \$40	32,502,772	7,907,421
Average Monthly Cost	31.44	22.80

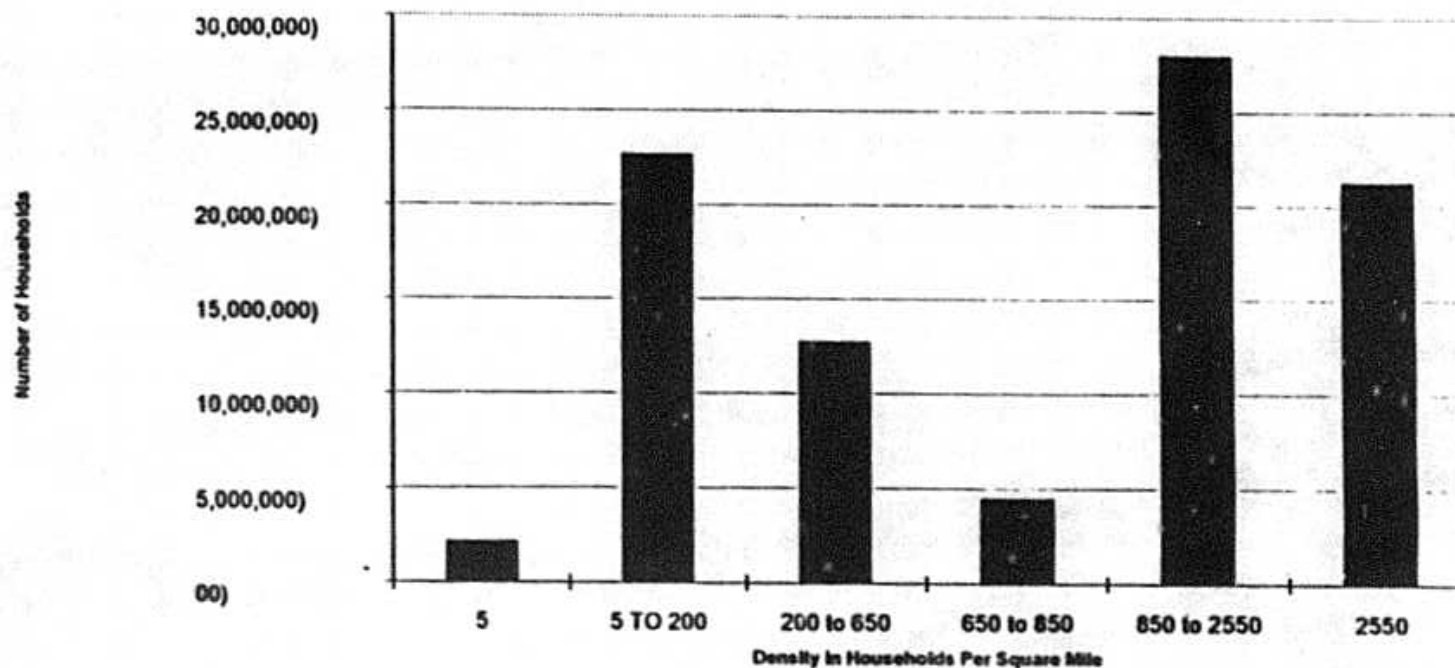
Wyoming

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	97,785,846	70,908,746
Aggregate Support		
at \$20	62,863,560	40,290,691
at \$30	53,675,833	33,749,892
at \$40	47,281,605	29,342,775
Average Monthly Cost	48.14	34.91

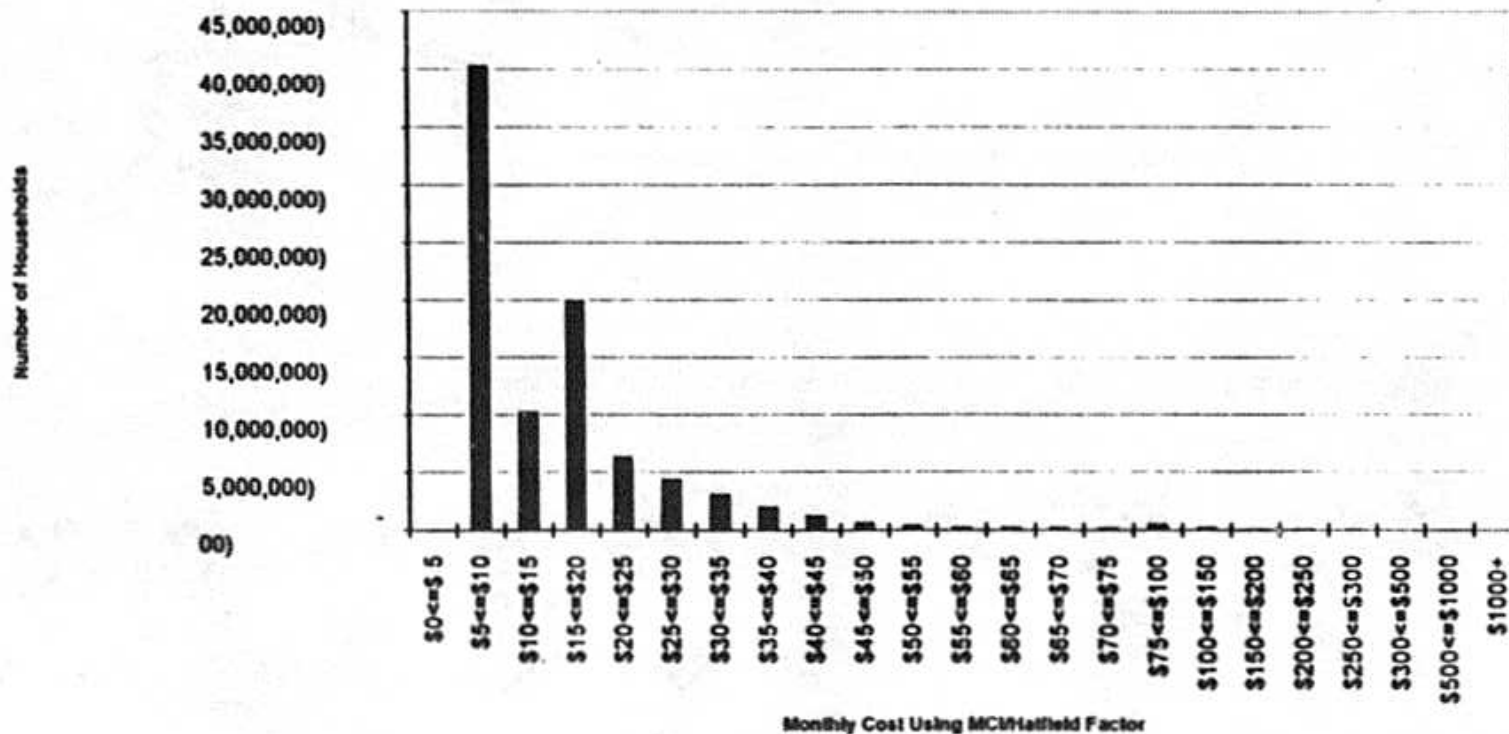




National Household Distribution By Density Group



National Household Distribution By Residential Service Monthly Cost



FLORIDA

MONTHLY COST STRATIFICATION

(exchange boundary overlay)

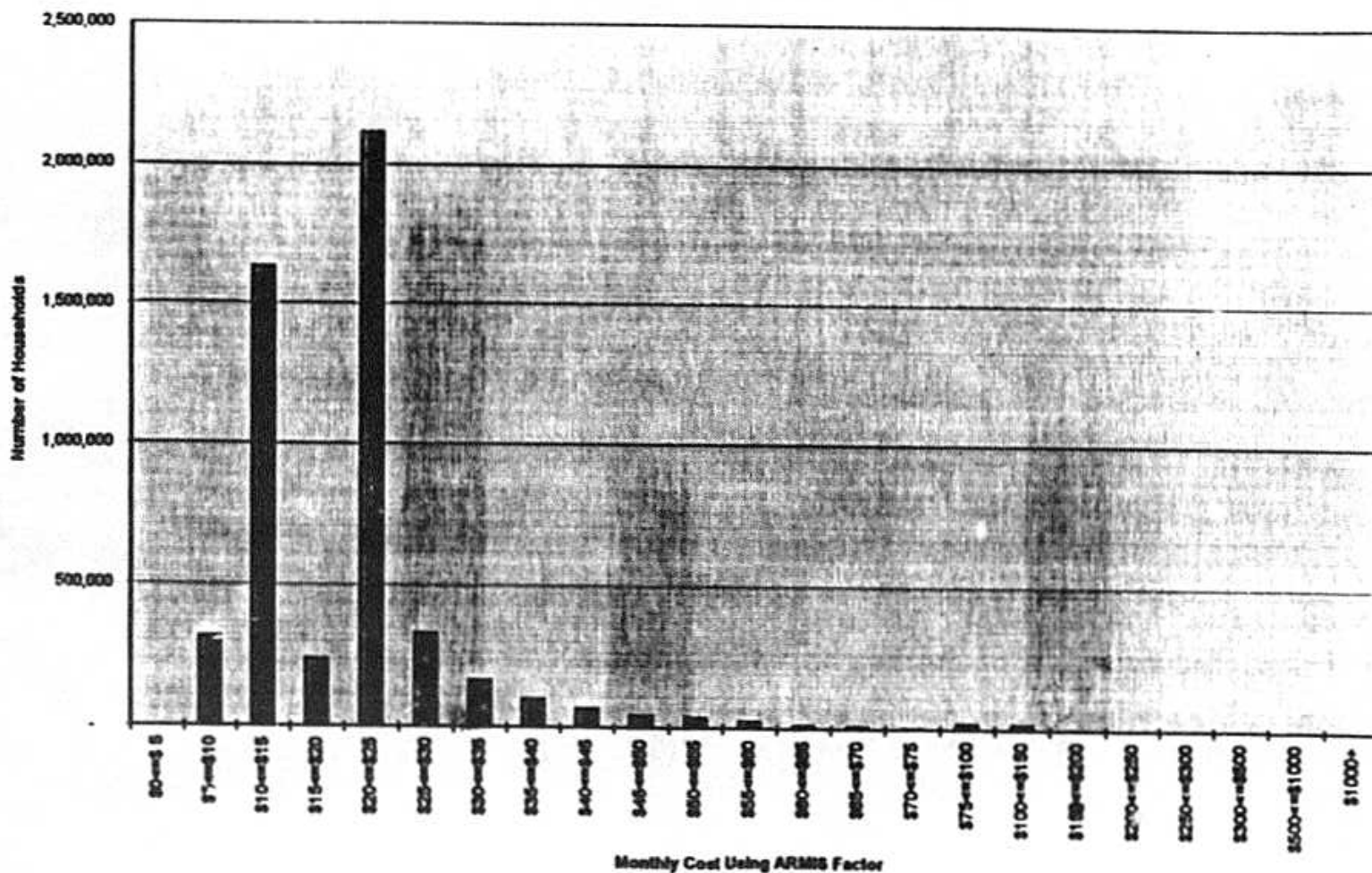
mnthly \$ / HH		# of bkl grps
<\$20		(3988)
\$20	to \$30	(3512)
\$30	to \$40	(607)
>\$40		(742)
exch boundaries		(0)

Density	Data	Total				
<=5	Sum of # Households	42,548				
	Average of Loop Length	75,547.62				
	Average of Loop \$ per HH	5,088.72				
	Average of Total Invstmnt/Ln	5,477.65				
5 TO 200	Sum of # Households	789,152		Aggregate Support at \$20=	ARMIS \$ 229,450,680	DIRECT \$ 82,382,867
	Average of Loop Length	32,922.70		Aggregate Support at \$30=	\$ 97,122,412	\$ 37,334,524
	Average of Loop \$ per HH	1,085.54		Aggregate Support at \$40=	\$ 55,246,242	\$ 19,978,268
	Average of Total Invstmnt/Ln	1,394.25				
200 to 650	Sum of # Households	831,266		Annual Benchmark Cost =	\$ 1,257,849,880	\$ 911,976,315
	Average of Loop Length	17,529.44				
	Average of Loop \$ per HH	470.24				
	Average of Total Invstmnt/Ln	744.45		State Average Monthly Cost=	\$ 20.40	\$ 14.79
650 to 850	Sum of # Households	353,174				
	Average of Loop Length	14,584.99				
	Average of Loop \$ per HH	355.81				
	Average of Total Invstmnt/Ln	625.66				
850 to 2550	Sum of # Households	2,199,649				
	Average of Loop Length	11,625.11				
	Average of Loop \$ per HH	334.77				
	Average of Total Invstmnt/Ln	598.81				
>2550	Sum of # Households	942,551				
	Average of Loop Length	9,185.26				
	Average of Loop \$ per HH	251.89				
	Average of Total Invstmnt/Ln	513.61				
Density	Data	Total				
<=5	Average of Monthly Cost1	144.59				
	Average of Monthly Cost2	104.85				
5 TO 200	Average of Monthly Cost1	38.80				
	Average of Monthly Cost2	26.69				
200 to 650	Average of Monthly Cost1	19.65				
	Average of Monthly Cost2	14.25				
650 to 850	Average of Monthly Cost1	16.52				
	Average of Monthly Cost2	11.08				
850 to 2550	Average of Monthly Cost1	15.81				
	Average of Monthly Cost2	11.46				
>2550	Average of Monthly Cost1	13.56				
	Average of Monthly Cost2	9.83				

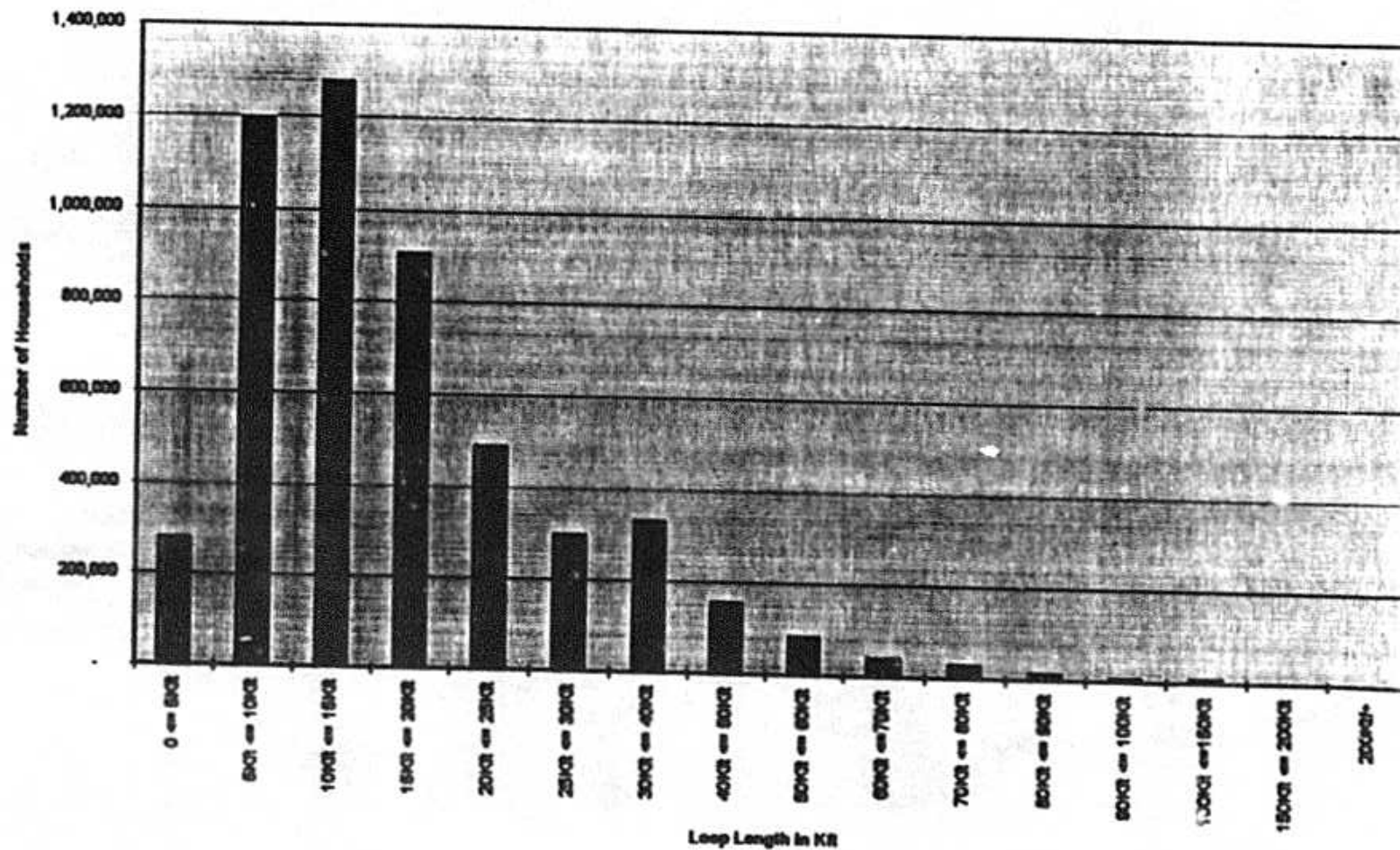
FLORIDA

Cost Category - APRMS	# Households	Loop Category	# Households	Density	# Households	Cost Category - Halford	# Households
\$0<=\$5		0 <= 5Kb	279,521	6	42,548	\$0<=\$5	
\$5<=\$10	317,128	5Kb <= 10Kb	1,187,685	\$ TO 200	788,152	\$5<=\$10	1,877,445
\$10<=\$15	1,834,850	10Kb <= 15Kb	1,278,421	200 to 850	831,288	\$10<=\$15	772,141
\$15<=\$20	238,178	15Kb <= 20Kb	808,734	850 to 850	353,174	\$15<=\$20	1,845,455
\$20<=\$25	2,114,747	20Kb <= 25Kb	488,440	850 to 2550	2,188,848	\$20<=\$25	282,385
\$25<=\$30	330,867	25Kb <= 30Kb	288,842	2550	842,551	\$25<=\$30	132,888
\$30<=\$35	183,854	30Kb <= 40Kb	331,267	Total	5,138,360	\$30<=\$35	78,234
\$35<=\$40	88,575	40Kb <= 50Kb	158,382			\$35<=\$40	48,345
\$40<=\$45	87,501	50Kb <= 60Kb	85,852			\$40<=\$45	30,821
\$45<=\$50	44,321	60Kb <= 70Kb	41,898			\$45<=\$50	12,280
\$50<=\$55	38,485	70Kb <= 80Kb	32,355			\$50<=\$55	7,614
\$55<=\$60	25,721	80Kb <= 90Kb	18,152			\$55<=\$60	5,542
\$60<=\$65	13,871	90Kb <= 100Kb	8,184			\$60<=\$65	7,850
\$65<=\$70	7,176	100Kb <= 150Kb	11,213			\$65<=\$70	8,988
\$70<=\$75	4,308	150Kb <= 200Kb	1,374			\$70<=\$75	4,178
\$75<=\$100	22,488	200Kb+	838			\$75<=\$100	11,817
\$100<=\$150	18,302					\$100<=\$150	2,857
\$150<=\$200	1,308					\$150<=\$200	65
\$200<=\$250	87	Total Households	5,138,360			\$200<=\$250	208
\$250<=\$300	2					\$250<=\$300	83
\$300<=\$500	281	Minimum Loop Length	825			\$300<=\$500	7
\$500<=\$1000	24	Maximum Loop Length	224,731			\$500<=\$1000	17
\$1000+	1	Median Loop Length	13,387			\$1000+	1
Total Households	5,138,360					Total Households	5,138,360
Minimum Monthly Cost	\$7.81					Minimum Monthly Cost	\$ 5.52
Maximum Monthly Cost	\$1,401.29					Maximum Monthly Cost	\$ 1,818.14
Median Monthly Cost	\$28.88					Median Monthly Cost	\$ 14.88
Average Monthly Cost	\$25.48					Average Monthly Cost	\$14.78
\$21 Average 3.25K Loop Invest	20						

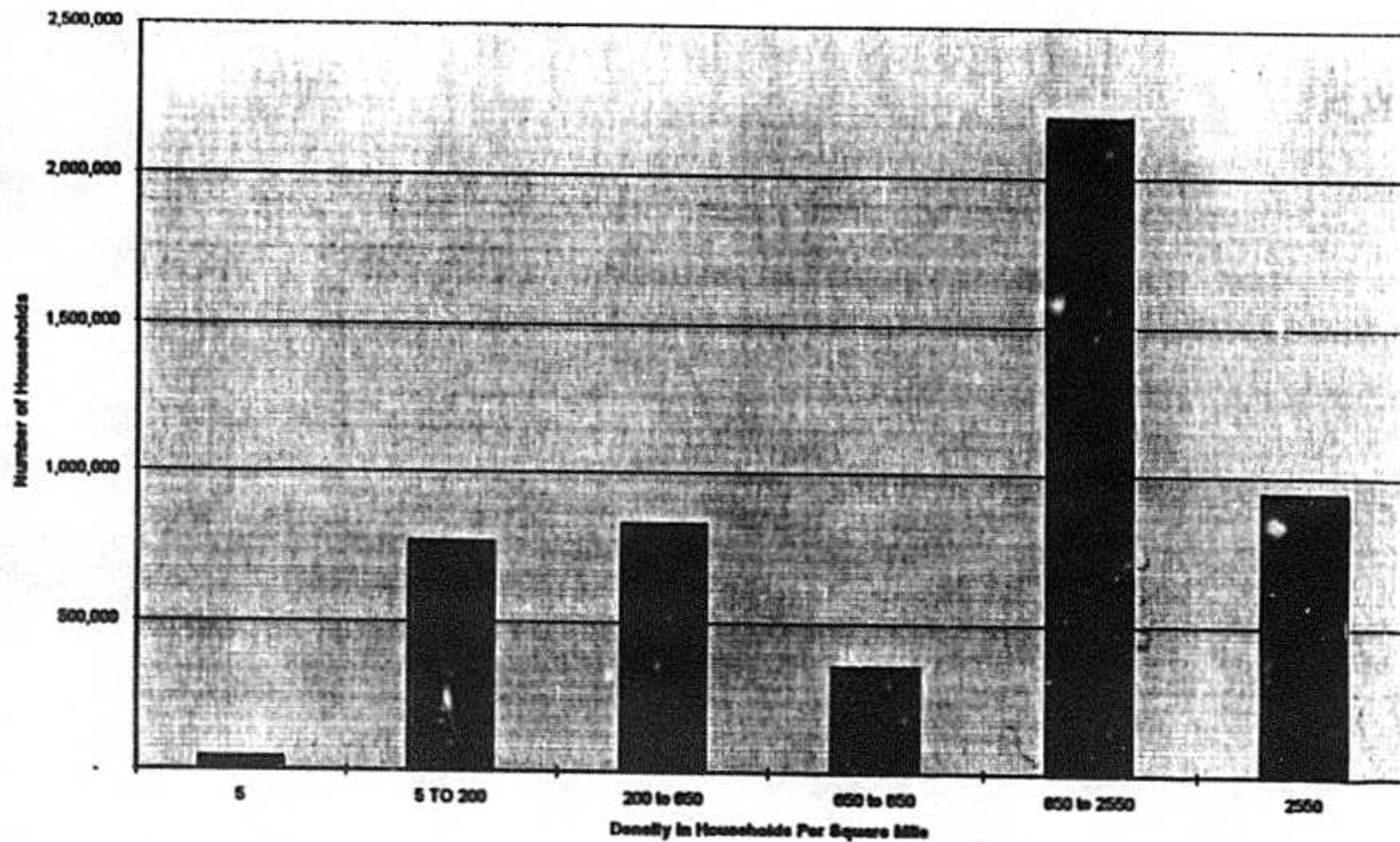
FL Household Distribution By Residential Service Monthly Cost



FL Household Distribution By Loop Length

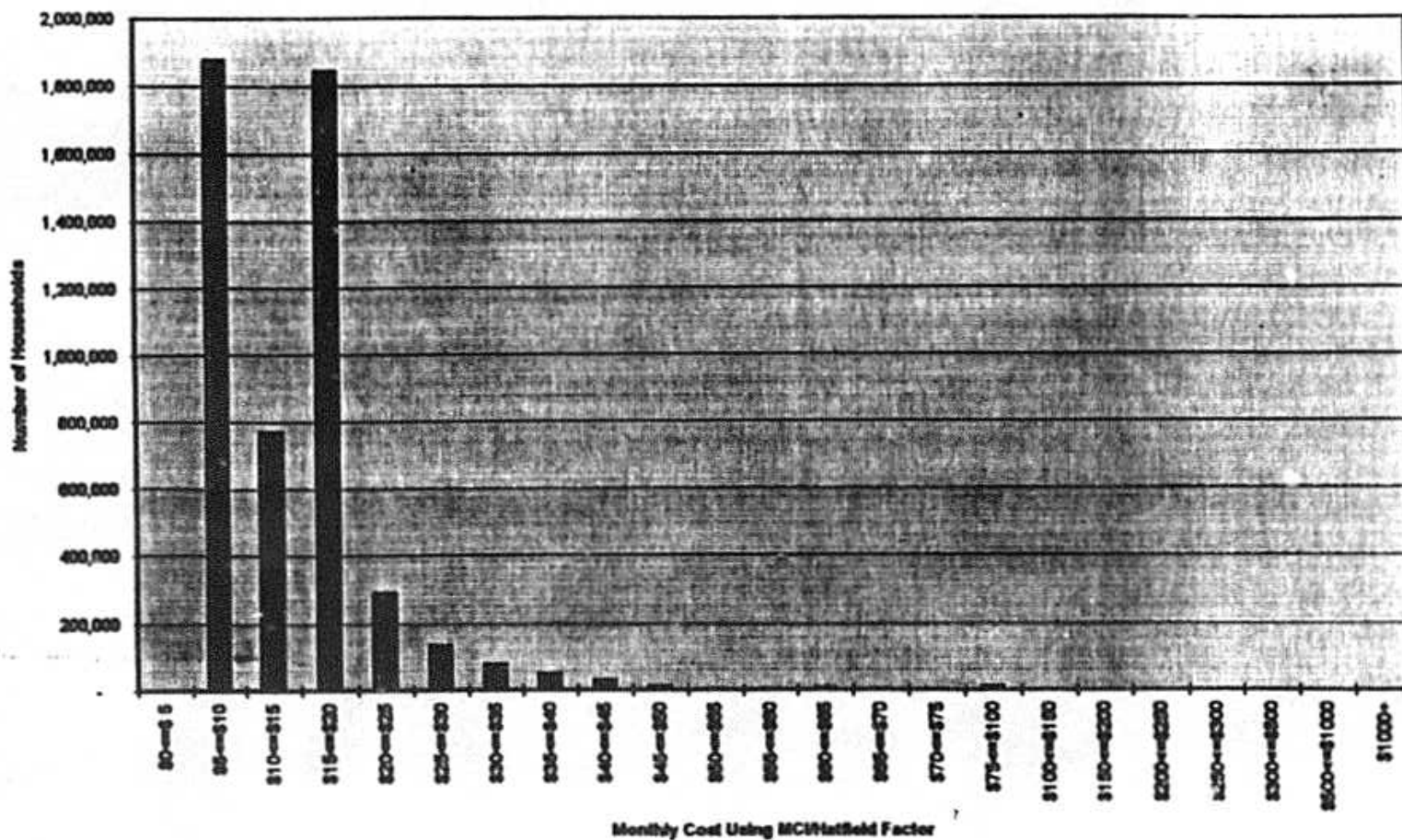


FL Household Distribution By Density Group



MFS COMMUNICATIONS COMPANY, INC.
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FL Household Distribution By Residential Service Monthly Cost



monthly \$/TBT # of blk gyps

< \$20	(2975)
\$20 to \$30	(2956)
\$30 to \$40	(474)
> \$40	(1363)
exch boundaries	(0)

ILLINOIS

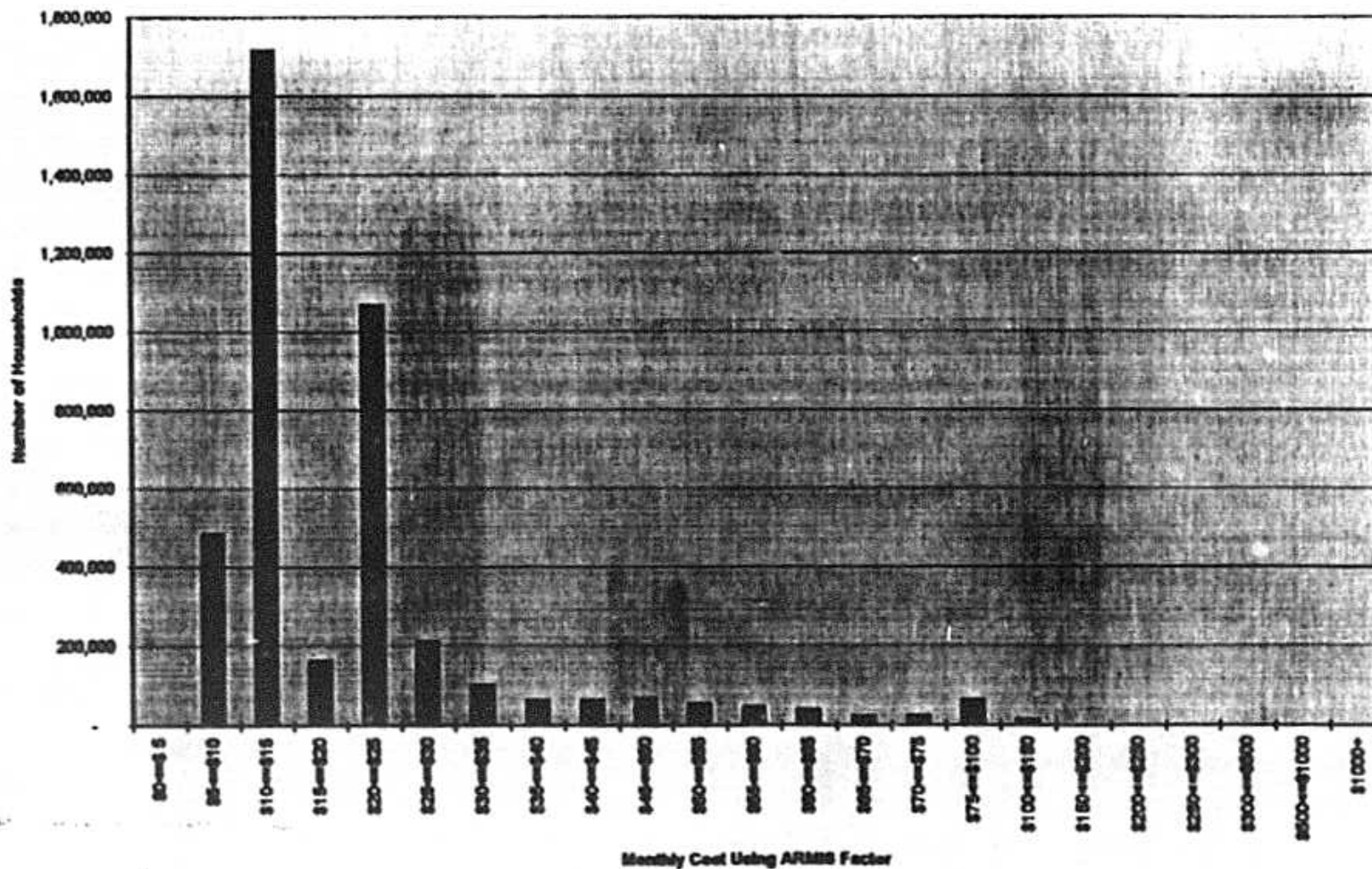
MONTHLY COST STRATIFICATION (exchange boundary overlay)

III-89

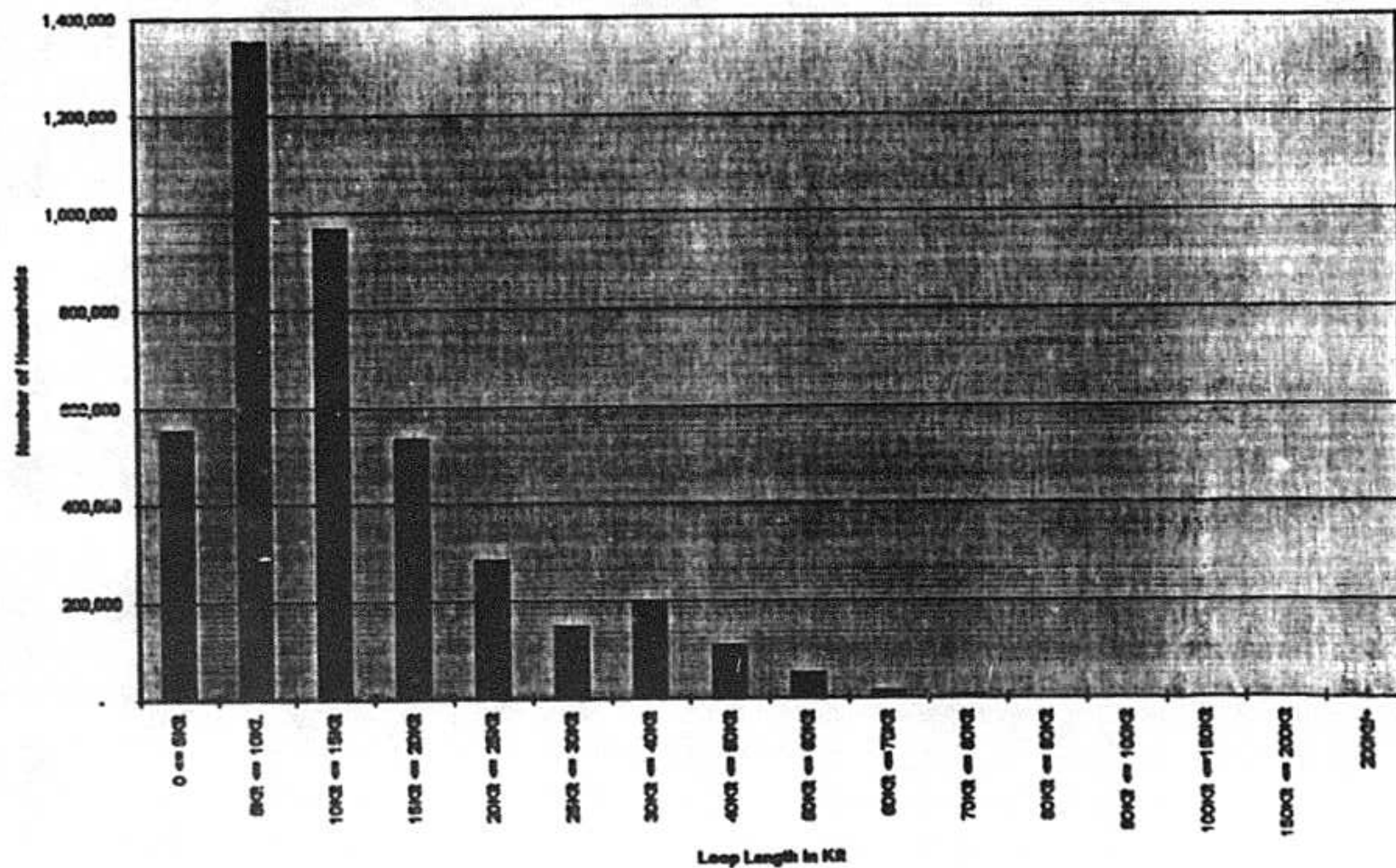
III-90

Cost Category - AFMB	# Households	Loop Category	# Households	Density	# Households	Cost Category - Household	# Households
0 <= 5	-	0 <= 5K	551,522	5	61,355	0 <= 5	-
5 <= 10	483,388	5K <= 10K	1,348,474	5 TO 200	887,748	5 <= 10	2,018,718
10 <= 15	1,715,715	10K <= 15K	885,371	200 to 850	471,837	10 <= 15	468,285
15 <= 20	180,880	15K <= 20K	535,877	850 to 2550	187,843	15 <= 20	1,098,018
20 <= 25	1,087,451	20K <= 25K	281,877	2550	1,521,837	20 <= 25	175,584
25 <= 30	218,142	25K <= 30K	148,388			25 <= 30	87,508
30 <= 35	88,884	30K <= 40K	188,582	Total	4,187,728	30 <= 35	81,843
35 <= 40	62,480	40K <= 50K	108,880			35 <= 40	77,878
40 <= 45	83,558	50K <= 60K	48,818			40 <= 45	88,421
45 <= 50	88,141	60K <= 70K	12,484			45 <= 50	41,408
50 <= 55	88,648	70K <= 80K	1,888			50 <= 55	31,858
55 <= 60	47,387	80K <= 90K	-			55 <= 60	23,581
60 <= 65	48,788	90K <= 100K	-			60 <= 65	18,374
65 <= 70	23,848	100K <= 150K	-			65 <= 75	14,871
70 <= 75	24,888	150K <= 200K	-			70 <= 75	7,841
75 <= 100	84,331	200K+	-			75 <= 100	8,402
100 <= 150	12,888					100 <= 150	128
150 <= 200	8	Total Households	4,187,728			150 <= 200	1
200 <= 250	8	Minimum Loop Length	888			200 <= 250	-
250 <= 300	-	Maximum Loop Length	74,481			250 <= 300	-
300 <= 500	-	Median Loop Length	18,842			300 <= 500	1
500 <= 1000	1					500 <= 1000	-
1000+	-					1000+	-
Total Households	4,187,728					Total Households	4,187,728
Minimum Monthly Cost	\$7.76					Minimum Monthly Cost	\$ 5.58
Maximum Monthly Cost	\$883.25					Maximum Monthly Cost	\$438.18
Median Monthly Cost	\$14.41					Median Monthly Cost	\$8.45
Average Monthly Cost	\$28.73					Average Monthly Cost	\$15.63
100% Average Loop Length	1						

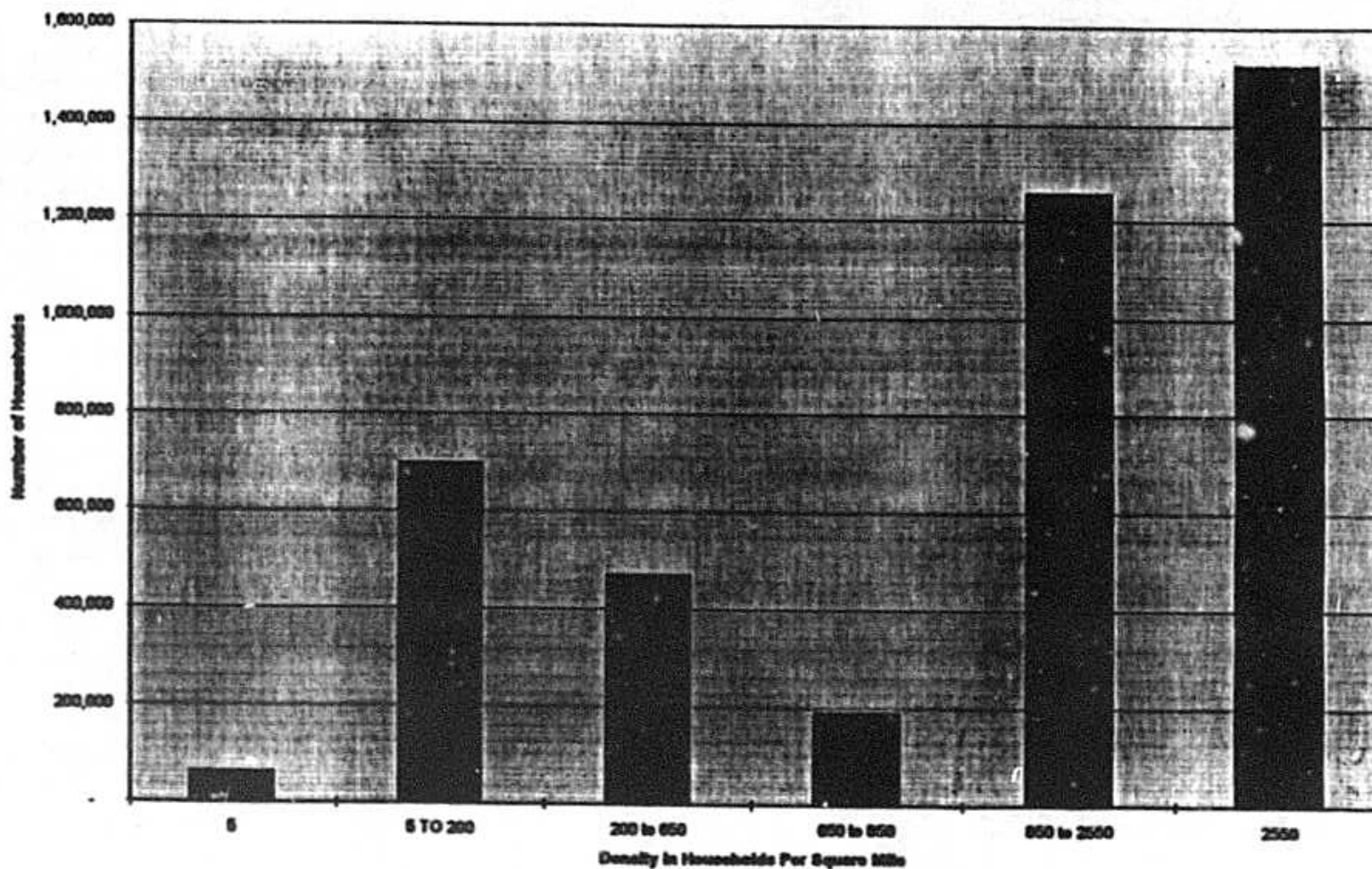
IL Household Distribution By Residential Service Monthly Cost



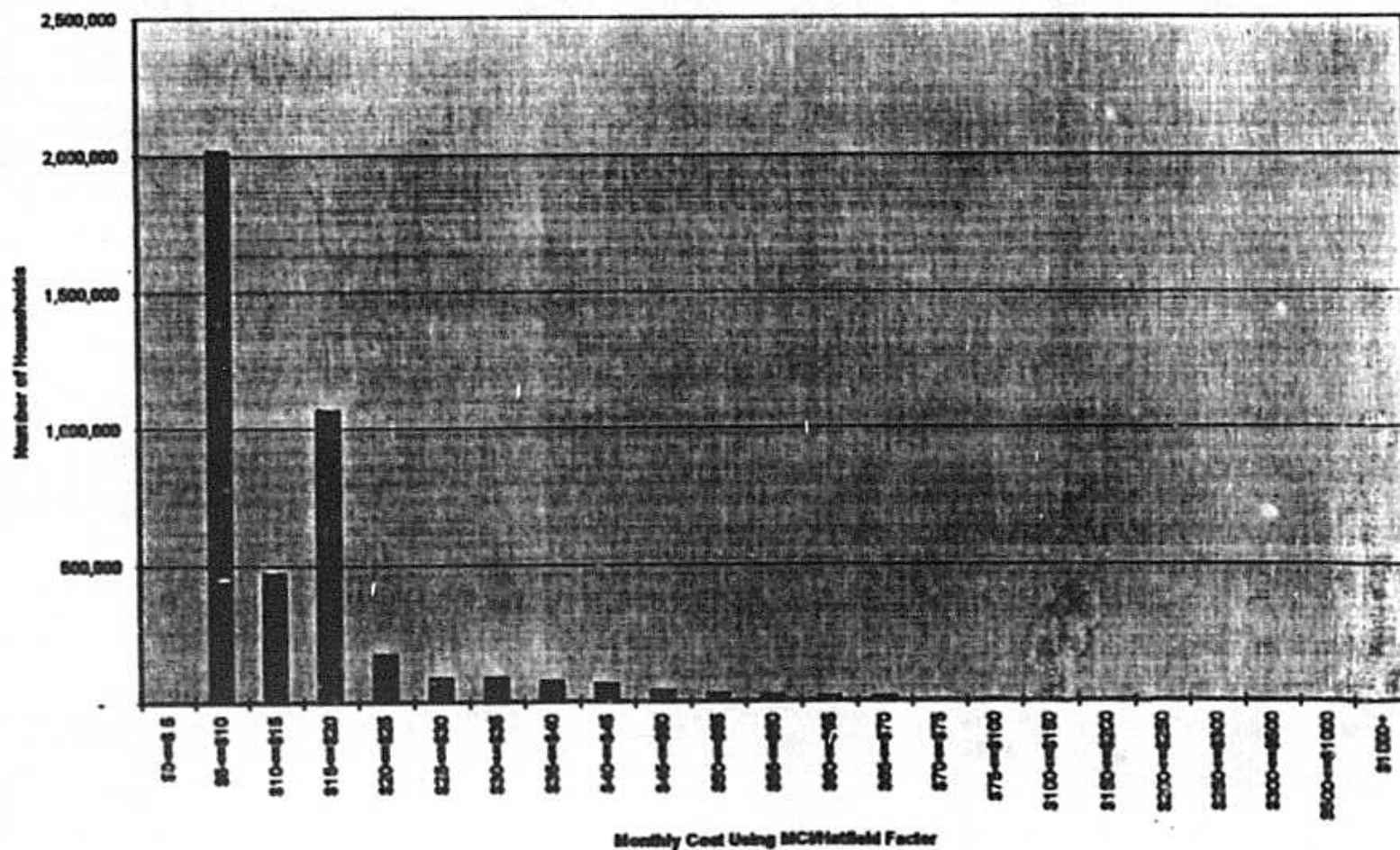
IL Household Distribution By Loop Length



IL Household Distribution By Density Group



IL Household Distribution By Residential Service Monthly Cost





GTE California
Incorporated

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805 372-6000

April 10, 1996

U 1002 C

Advice Letter No. 8052

Public Utilities Commission of the State of California

GTE California Incorporated (GTEC) attaches for filing the Interim Interconnection Agreement with MFS Intelenet, Inc (MFS). This filing is to submit for Commission's approval, pursuant to D. 95-12-056 (the "Decision"), an Interconnection Agreement entered into by and between MFS and GTEC. This Agreement, attached to the advice letter, is submitted under the expedited review procedures authorized in the Decision, as set forth at pages 39-42 and in Ordering Paragraphs 9 and 10.

GTEC and MFS have negotiated this Agreement in good faith, in accordance with the terms of the Decision. The Agreement is designed to provide for interconnection arrangements between the parties that are consistent with and achieve the "preferred outcomes" set forth in Appendix A to the Decision. Specifically, the Interim Interconnection Agreement between MFS and GTEC provides:

- a) MFS and GTEC have agreed in Section V.C. to compensate each other for use of each other's networks with respect to facilities supplied for the transport element of the arrangement and have agreed in Sections V.B.1 and V.B.2 to compensate each other for call terminations at tariffed rates, except for the use of bill and keep for local call termination, consistent with the Commission's interim policy.
- b) The parties have agreed in Section III to a single point of interconnection for each GTEC access tandem where MFS and GTEC interconnect for the exchange of local traffic.
- c) The parties have agreed in Sections V.D. and XIV to maintain facilities in a fair and equitable manner and to ensure that all trouble reports are resolved in a timely and appropriate manner.
- d) The parties have agreed in Section III.E to the use of two-way trunks.

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- e) The parties have agreed in Section V.B.5 to provide quarterly percentage local usage (PLU) reports and have agreed in Section VII.A to a methodology for requesting audits of usage reports.
- f) The parties have agreed in Section III.B to allow interconnection at each access tandem within the LATAs where each will provide local exchange service in competition with one another.
- g) The parties have agreed in Section III.F to use a digital hand-off utilizing SS7 protocol;
- h) The parties have agreed in Sections V.B.1 and V.B.2 to use bill and keep for local calls terminating in Zone 1,2 and 3 for Extended Area Service, as required by the Commission's interim rules, and have agreed in Section V.F.2 to compensate each other at GTEC's tariffed rates for Busy Line Verification and Busy Line Verification and Interrupt;
- i) The parties have agreed in Sections XVIII and XIX to symmetrical obligations for liability; and
- k) The parties have agreed in Section VIII to interconnect with each other until they execute an interconnection agreement under Section 251 of the Telecommunications Act of 1996, with a maximum two-year term for the Agreement, and have not given either part the right to unilaterally terminate the Agreement without a replacement method of interconnection in place. In addition, the parties have provided in Section XXIII a dispute resolution mechanism that specifically incorporates the Dispute Resolution procedures set forth at pages 36 to 39 of the Decision.

As can be seen by the foregoing descriptions of various sections of the Agreement, MFS and GTEC have specifically complied with each and every one of the preferred outcomes in the Decision¹.

The Agreement complies with the Commission's stated goal of protecting the public interest by ensuring that such Agreements are not unduly discriminatory or anticompetitive. The public interest would be served if this Agreement were to be allowed to

¹In addition to compliance with all of the "preferred outcomes," the Agreement submitted here is mutually agreeable to the parties and passes all of the Commission tests outlined in the Decision, pursuant to Ordering Paragraph 4 of the Decision.

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go into effect under the expedited review procedure.

Other than requesting approval under the 14-day expedited review procedure, this advice letter contains all of the information normally required for Agreements filed under G.O. 96-A. No

tariff sheets have been submitted with this advice letter. This filing will not increase any existing rate or service, cause the withdrawal of service, or conflict with any of GTEC's other schedules or rules.

Pursuant to the expedited review procedure set forth in the Decision, we request that the interconnection Agreement submitted with this advice letter become effective fourteen (14) days after the filing of the advice letter.

Pursuant to discussion with CACD staff, just one party is submitting this agreement for approval.

In compliance with General Order 96-A and the Decision, copies of this advice letter and the Interconnection Agreement are being mailed to all LECs and CLCs, and to other interested parties requesting such notification. In addition, we are mailing copies to parties on the Service List for R.95-04-043/I.95-04-044.

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must set forth the specific grounds on which it is based; and such protest may only address provisions of the Agreement that are alleged to be anticompetitive or unduly discriminatory. A protest must be made in writing and received within seven (7) days of the date this advice letter was filed with the Commission. The address for mailing or delivering a protest to the Commission is:

Chief, CACD Telecommunications Branch
505 Van Ness Avenue, Room 3203
San Francisco, CA 94102

The address for mailing or delivering a protest to GTEC is:

Jenny M. Wong
Regional Director -
Regulatory & Industry Affairs
One GTE Place - CA500GC
Thousand Oaks, CA

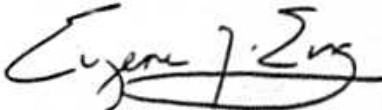
A. 8052
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The address for mailing or delivering a protest to MFS:

Mr. Eric Artman
MFS Intelenet, Inc.
185 Berry Street, Bldg One
Suite 5100
San Francisco, CA 94107

We would like this filing to become effective on April 24, 1996.
Very truly yours,

GTE CALIFORNIA INCORPORATED



cc JENNY M. WONG
Regional Director -
Regulatory & Industry Affairs

Attachments

Appearance List
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INTERIM INTERCONNECTION AGREEMENT

April 9, 1996

Pursuant to this Interim Interconnection Agreement ("Agreement"), MFS Intelenet of California, Inc. ("MFS") and GTE California Incorporated ("GTE") (collectively the "Parties") agree to interconnect with each other within each LATA in which they both operate within the State of California, as described and according to the terms, conditions and pricing specified hereunder.

I. RECITALS & PRINCIPLES

WHEREAS, the Parties seek to accomplish interconnection in a technically and economically efficient manner; and

WHEREAS, the public will benefit if the local exchange networks of the Parties are interconnected so that customers of each carrier can seamlessly receive calls that originate on the other carrier's network and place calls that terminate on the other carrier's network;

WHEREAS the Parties intend to negotiate a permanent interconnection agreement pursuant to Section 251 of the Telecommunications Act of 1996, but desire to enter into an interim interconnection agreement pending completion of the permanent agreement under federal law;

WHEREAS this Agreement is not intended by either Party to constitute compliance with the interconnection requirements of Section 251 of the Telecommunications Act of 1996;

WHEREAS, the California Public Utilities Commission ("Commission") has issued its Interim Opinion in D.95-12-056 ("Opinion") in which it sets forth certain rules related to CLC-LEC interconnection; and

WHEREAS, the Commission has created an expedited 14-day contracting process for interconnection agreements between Competitive Local Carriers ("CLCs") and Local Exchange Carriers ("LECs"); and

WHEREAS, MFS and GTE wish to utilize this expedited contractual process; and,

WHEREAS, MFS and GTE have agreed on interim interconnection terms and conditions incorporating the Commission's Preferred Outcomes for Interconnection Contracts (Opinion, Appendix A).

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

II. DEFINITIONS

- A. "Bill and keep" means a form of compensation for the termination of local traffic, as defined by the Commission in D. 05-12-056, Appendix C, page 13.
- B. "Calling Party Number" or "CPN" is a Common Channel Signaling parameter which refers to the number transmitted through the network identifying the calling party.
- C. "Charge Number" is a CCS signaling parameter which refers to the number transmitted through the network identifying the billing number of the calling party.
- D. "CLASS Features" mean certain CCS-based features available to end users. CLASS features include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection.
- E. "Centralized Message Distribution System" ("CMDS") is the transport system that the RBOCs and other incumbent LECs use to exchange outcollect and Carrier Access Billing System ("CABS") access messages among each other and other parties connected to CMDS.
- F. "Commission" means the California Public Utilities Commission.
- G. "Common Channel Signaling" or "CCS" means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network elements that carry the actual call.
- H. "Control Office" is an exchange carrier center or office designated as its company's single point of contact for the provisioning and maintenance of its portion of interconnection arrangements.
- I. "Cross-connection" means an intra-wire center channel connecting the Parties' separate pieces of telecommunications equipment.
- J. "DS-1" is a digital signal rate of 1.544 Megabits Per Second ("Mbps").
- K. "DS-3" is digital signal rate of 44.736 Mbps.

- L. "End Office Switches" are Class 5 switches from which end user Exchange Services are directly connected and offered.
- M. "Exchange Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Exchange Service includes basic residence and business line service, PBX trunk line service, pay phone line service, Centrex/CentraNetSM line service and ISDN line services. Exchange Service does not include Private Line, Switched and Special Access services.
- N. "Expanded Interconnection Service" or "EIS" is the collocation arrangement which GTE provides in its designated GTE wire centers, and shall have the same meaning as set forth in GTE's CPUC tariff Schedule C-1, Section XVII.
- O. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- P. "ISDN" means Integrated Services Digital Network, which is a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. ISDN is provisioned end-to-end pursuant to TR-444.
- Q. "Local Calling Area" means the calling area to which a customer may place Local Exchange Traffic.
- R. "Local Exchange Carrier" or "LEC" and "Competitive Local Carrier" or "CLC" shall have the meanings as set forth in the Commission's Rules for Local Competition, Opinion, App. C, Sections 3.A and B, respectively.
- S. "Local Exchange Routing Guide" or "LERG" is a Bellcore reference typically used by LECs, IXCs and CLCs to identify NPA-NXX routing and homing information as well as network element and equipment designations.
- T. "Local Exchange Traffic" means Zone Usage Measurement ("ZUM") Zone 1, Zone 2 and Zone 3 calls and Extended Area Service calls.
- U. "Local Interconnection Trunks/Trunk Groups" are trunks and trunk groups as identified in Section V.A.1 of this Agreement.
- V. "Meet-Point Billing" refers to an arrangement whereby two local carriers (including a LEC and a CLC) jointly provide Switched Access Service to one

of the carrier's end office switches, with each carrier receiving, by mutual agreement, an appropriate share of their tariffed transport element revenues.

- W. "MECAB" refers to the Multiple Exchange Carrier Access Billing document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more local carriers (including a LEC and a CLC), or by one LEC in two or more states within a single LATA.
- X. "MECOD" refers to the Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of the OBF, which functions under the auspices of the Carrier Liaison Committee of the ATIS. The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided by two or more local carriers (including a LEC and a CLC).
- Y. "Mid-Span Fiber Meet" is an interconnection architecture whereby MFS and GTE mutually agree to jointly plan and engineer their facility meet-point at a designated manhole or junction location. The meet point is the demarcation between ownership of the transmission facility.
- Z. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.
- AA. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B" and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA. "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that Geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" ("SAC Code") is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas; 500, Toll Free Service NPAs, 900, and 700 are examples of Non-Geographic NPAs.
- AB. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E" and "F" digits of a

10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.

- AC. "Percent Local Usage" or "PLU" is a calculation which represents the ratio of the local minutes to the sum of local and intraLATA toll minutes between exchange carriers sent over Local Interconnection Trunks. Transiting calls from other LECs or CLCs or wireless carriers are not included in the calculation of PLU.
- AD. "Point of Interconnection" or "POI" denotes the physical equipment interface that establishes the technical interface, the test point and the point of operational responsibility hand-off between MFS and GTE for the local interconnection of their networks. The splice point at a Mid-Span Fiber Meet is not a POI.
- AE. "Rating Point" is the V&H coordinates associated with a particular telephone number for rating purposes.
- AF. "Routing Point" means a location which a LEC or CLC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC or CLC which bear a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access Services. The Routing Point need not be the same as the Rating Point, nor must it be located within the rate center area, but must be in the same LATA as the NPA-NXX.
- AG. "Switched Access Service" means an offering of facilities for the purpose of the origination or termination of traffic from or to Exchange Service customers in a given area pursuant to a Switched Access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, Toll Free Service, and 900 access. Switched Access does not include traffic exchanged between LECs and CLCs for purpose of local exchange interconnection.
- AH. "Tandem Office Switches" or "Access Tandems" are Class 4 switches which are used to connect and switch trunk circuits between and among network switching entities.
- AI. "Toll Free Service" means service provided with any dialing sequence that invokes toll-free (i.e. 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 800/888 NPA SAC codes.

- AJ. "Transit Rate" is the rate that applies to local and toll calls sent between a LEC and a CLC destined for a third-party LEC or CLC.
- AK. "Wire Center" denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more network switching entities, used for the provision of Exchange Services and access services, are located. However, for purposes of EIS, Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.

III. TECHNICAL PROVISIONS

- A. This Agreement covers the initial tandem-level interconnection between the Parties.
- B. Connection At All GTE Tandems Within Each LATA:
1. MFS will connect with each and every GTE access tandem in the LATA(s) in which it originates traffic and interconnects with GTE.
 2. MFS will establish Local Interconnection Trunk groups to each and every GTE tandem for which MFS has local exchange customers within the Local Calling Area of the GTE customers served by that tandem. For all other GTE tandems within any LATA in which MFS originates traffic, MFS will establish feature group trunks to each such tandem.
- C. MFS and GTE agree to interconnect their networks through existing facilities between the MFS switches and the corresponding GTE access tandems set forth in the following table. Logical trunk groups will be established referencing the appropriate MFS Routing Point and GTE access tandem. Nothing in this section C restricts either Party from ordering and establishing additional MFS - GTE access tandem trunk groups in addition to the initial combinations described below.

MFS Switches	MFS Routing Point	POI	GTE Access Tandem
LSANCATHDSO	LSANCATHDSO	SNMNCAXPNTC	SNMNCAXP43T
LSANCATHDSO	LSANCATHDSO	TBD*	LNBNHAXP45T
LSANCATHDSO	LSANCATHDSO	TBD*	ONTRCAXP80T
LSANCATHDSO	LSANCATHDSO	TBD*	THOKCAXF81T

- GTE initially to provide facility between GTE Santa Monica and Long Beach access tandems which will cross-connect to MFS facility between MFS switch and GTE Santa Monica office. GTE initially to provide facilities between GTE West Los Angeles office and access tandems in Thousand Oaks and Ontario which will cross-connect to MFS facility between MFS switch and GTE West Los Angeles office. The facilities shall be compensated pursuant to Section V.C.1, below. CLLI codes to be determined when facilities between GTE Long Beach, Ontario, Santa Monica and Thousand Oaks access tandems and cross connections to MFS facilities at Santa Monica office and West Los Angeles office are designed. CLLI codes will refer to DSXs at the Long Beach, Ontario, Santa Monica and Thousand Oaks tandems.
- C. Single POI Model. For each GTE access tandem where MFS and GTE interconnect for the exchange of local and intraLATA toll and meet point Switched Access traffic, MFS and GTE agree that there will be a single POI located at the designated DSX-3 within the GTE Wire Center.
- D. Sizing and Structure of Interconnection Facilities. The Parties will mutually agree on the appropriate sizing for facilities based on the standards set forth in Section XII, below. The interconnection facilities provided by each Party shall be superframe with Alternate Mark Inversion Line Code and Superframe Format Framing ("AMI") at either the DS-1 or DS-3 level, according to mutual forecasts and sound engineering practice, as mutually agreed to by the Parties during planning - forecasting meetings.
- E. Two-Way Trunks. Interconnection will be provided via two-way trunks. Separate two-way trunks will be established to exchange 1) local and intraLATA toll and 2) meet point Switched Access traffic.
- F. Signaling Protocol. The Parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features.
- G. Interconnection Facilities. Unless expressly agreed to otherwise, the Parties will use fiber transmission facilities to physically interconnect their networks.

IV. MEET-POINT TRUNKING ARRANGEMENTS

- A. Two-way trunks may be established to enable MFS and GTE to jointly provide Feature Group B and D ("FGB" and "FGD") Switched Access Services via a GTE access tandem switch.

- B. MFS may use meet point trunks to send and receive FGB and FGD calls from Switched Access customers connected to GTE's access tandem.
- C. MFS will interconnect two-way trunk groups at each and every GTE access tandem under which MFS's NXXs home using DS-1 or DS-3 facilities separate from the facilities used for Local Interconnection Trunk Groups.
- D. In the case of Switched Access Services provided through GTE's access tandem, GTE will not offer blocking capability for interexchange carrier traffic delivered to GTE's tandem for completion on MFS's network. GTE and MFS understand and agree that meet point trunking arrangements are available and functional only to/from Switched Access customers who directly connect with the tandem(s) that MFS sub-tends in each LATA. In no event will GTE be required to route such traffic through more than one tandem for connection to/from Switched Access customers. GTE shall have no responsibility to ensure that any Switched Access customer will accept traffic MFS directs to the Switched Access customer. However, GTE will provide reasonable assistance to MFS in order to allow MFS to establish contact with providers of toll services switched through GTE's access tandems.
- E. Common channel signaling shall be utilized in conjunction with meet point trunks.
- F. The Parties will provide CCS to one another in conjunction with all two-way trunk groups subject to the rates, terms and conditions specified in the Parties' respective access tariffs (if applicable). MFS may establish CCS interconnections either directly or through a third-party, provided such third-party is interconnected with GTE. The Parties will cooperate in the exchange of TCAP messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each carrier offers such features and functions to its own end users.¹ MFS will provide all CCS signaling including Charge Number, originating line information ("OLI"), etc. For terminating FGD, GTE will pass CPN if it receives CPN from FGD carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided by MFS wherever such information is needed for call routing or billing. The Parties will follow all OBF adopted standards pertaining to TNS and CIC/OZZ codes.

¹ This Agreement does not relate to the purchase and sale of any such end user features or functions.

- G. All originating Toll Free Service calls for which GTE performs the Service Switching Point ("SSP") function (e.g. performs the database query) shall be delivered by MFS using GR-394 format over the meet point trunk group. Carrier Code "0110" and Circuit Code of "08" shall be used for all such calls.
- H. All originating Toll Free Service calls for which MFS performs the SSP function, if delivered to GTE, shall be delivered by MFS using GR-394 format over the meet point trunk group for calls destined to IXCs, or shall be delivered by MFS using GR-317 format over the Local Interconnection Trunk Group for calls destined to end offices that directly subtend GTE access tandems.
- I. Originating Feature Group B calls delivered to GTE's tandem shall use GR-317 signaling format unless the associated FGB carrier employs GR-394 signaling for its FGB traffic at the serving GTE access tandem.
- J. MFS and GTE shall use their best efforts to negotiate the terms and conditions for meet point billing, including, but not limited to, the meet point billing options, bill period, and exchange of usage and billing data, and to sign such an agreement within 30 days of the effective date of this agreement. For any meet point billing traffic exchanged by the Parties prior to execution and approval of the meet point billing agreement ("prior traffic"), the Parties agree that the terms of the meet point billing agreement shall apply to such prior traffic. The Parties will compensate each other for such prior traffic in accordance with the terms of the meet point billing agreement.

V. LOCAL INTERCONNECTION TRUNK ARRANGEMENT

A. Description.

The Parties shall reciprocally terminate local exchange traffic and intraLATA toll calls between each other's networks, as follows:

1. The Parties shall make available to each other two-way trunks for the reciprocal exchange of local exchange traffic and intraLATA toll traffic ("Local Interconnection Trunks/Trunk Groups").
2. The Parties will provide CCS to one another in conjunction with all two-way trunk groups subject to the rates, terms and conditions specified in the Parties' respective access tariffs (if applicable). MFS may establish CCS interconnections either directly or through a third party, provided such third party is interconnected with GTE. The Parties will cooperate in the exchange of TCAP messages to facilitate full interoperability of CCS-based features between their respective

networks, including all CLASS features and functions, to the extent each carrier offers such features and functions to its own end users.² All CCS signaling parameters will be provided including CPN. All privacy indicators will be honored.

3. MFS may opt at any time to terminate to GTE some or all local exchange traffic and intraLATA toll traffic originating on its network, together with Switched Access traffic, via Feature Group D or Feature Group B Switched Access Services, subject to the rates, terms and conditions specified in GTE's standard intrastate access tariffs.
4. Neither Party shall terminate Switched Access traffic over Local Interconnection Trunks.
5. MFS shall only deliver traffic over the Local Interconnection Trunk Group(s) to a GTE access tandem for those publicly-dialable NPA NXX codes served by end offices that subtend the access tandem or to those wireless service providers connected to the access tandem. MFS may not route traffic to a GTE access tandem destined for an NXX which subtends another tandem.
6.
 - a) GTE shall route all traffic destined for MFS NXXs subtending a GTE access tandem in accordance with the Local Exchange Routing Guide. GTE may continue to deliver all other traffic to be terminated to MFS at any of the POIs set forth in Section III.C.
 - b) Once the Local Interconnection Trunk Groups contemplated by this Agreement have been installed, GTE shall not deliver calls destined to terminate at a MFS end office via another LEC's or CLC's end office or tandem, except in the case of GTE end offices that subtend the tandem of another LEC.
 - c) Notwithstanding Section V.A.6.a, above, and in express consideration of MFS allowing GTE to deliver any traffic to be terminated to MFS at any of the POIs set forth in Section III.C, above, so long as MFS is only employing a single switching element in a LATA which is serving NXX codes subtending GTE's access tandems in that LATA, GTE will compensate MFS monthly in an amount equal to the monthly charges

² This Agreement does not relate to the purchase and sale of any such end user features or functions.

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imposed on MFS by GTE for the origination of calls to wireless service providers through a GTE access tandem. As soon as MFS deploys a second switching element in a LATA which serves NXX codes subtending a GTE tandem in that LATA, GTE will begin to terminate traffic in accordance with Section V.A.6.a, above, and the compensation arrangement referred to in this subsection shall come to an end.

7. Where MFS delivers over the Local Interconnection Trunk group miscellaneous non-local calls (i.e. time, weather, Mass Calling Codes) destined for GTE, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG.
8. N11 codes (i.e. 411, 611, 911) shall not be sent between MFS's and GTE's network over the Local Interconnection Trunk Groups.
9. There are certain types of calls that require exchange of billing records between the Parties. These types of calls include: Toll Free Service calls, 900 calls, and intrastate alternate billed calls (e.g. calling card, bill-to-third, and collect). The exchange of billing records for calls of this type that are interLATA will be handled through the existing CMDS processes. The payments of revenues for these types of calls will be handled through Calling Card and Third Number Settlement ("CATS").
10. For calls of the type described in Paragraph V.A.9 that are intraLATA, the Parties shall use their best efforts to negotiate and execute a separate agreement, within 30 days from the effective date of this Agreement, for the exchange of billing records between the Parties, the settlement of revenues between the Parties and the payment of applicable charges.
11. For the purpose of providing end-to-end ISDN capabilities between the customers of MFS and GTE, MFS will provide GTE an initial forecast of 64 Kbps Clear Channel Capability ("64K CCC") trunk quantities by the effective date of this Agreement, consistent with the forecasting agreements between the Parties. Upon receipt of this forecast, the Parties will begin joint planning for the engineering, procurement, and installation of the segregated 64K CCC Local Interconnection Trunk Groups, and the associated B8ZS ESF facilities, for the sole purpose of transmitting 64K CCC data calls between MFS and GTE. Where additional equipment is required, such equipment would be obtained, engineered, and installed on the same basis and with the same intervals

as any similar growth job for IXC, CLC, or GTE internal customer demand for 64K CCC trunks.

12. In addition, the Parties agree to mutually negotiate the exchange of traffic of other CLCs between MFS and GTE over Local Interconnection Trunk Groups. These negotiations will include, but are not limited to, the issues of network capacity, forecasting, and compensation terms (including calculation and verification of PLU). Such negotiations shall be conducted by the Parties in good faith and consent to the termination of such traffic shall not be unreasonably withheld. However, MFS may exchange with GTE traffic of CLCs who resell MFS's service (whether or not such CLCs utilize NXX codes assigned to MFS or to the CLC itself) over the Local Interconnection Trunk Groups without the need for any further agreement. In the event that MFS wishes to exchange with GTE traffic of a CLC who resells MFS's service, MFS shall provide to GTE a signed letter of authorization from the CLC allowing such traffic to be exchanged. In the event such CLC traffic is exchanged, both Parties will be responsible for compensation to each other pursuant to Section V.B, below.

B. Compensation for Call Termination

Notwithstanding the following, the Parties agree to amend this Agreement with regard to compensation for the termination of local calls (as described in this section) in accordance with any further Commission decision(s) regarding compensation for local and/or toll call termination between LECs and CLCs.

1. The following compensation rates shall apply for traffic carried from MFS to GTE via GTE access tandems:
 - a. Bill and Keep: Applicable to all local (Zone Usage Measurement ("ZUM") Zone 1 and ZUM Zone 2), Extended Area Service and ZUM Zone 3 traffic.
 - b. Toll Rate: Applicable to intraLATA toll calls based on intrastate Switched Access rates as described below:

- Tandem switched transport

- Fixed - per minute of use
 - Variable - per mile per minute of use
- Mileage is calculated based on the airline miles between the Vertical and Horizontal ("V&H") coordinates of the access tandem where the Local Interconnection Trunk Group terminates and the GTE end office.

- Tandem switching - per minutes of use
- Network Interconnection Charge - per minute of use
- End office switching
- Information surcharge

The applicable rates can be found in GTE's tariff CPUC Schedule C-1.

- c. **Transit Rate:** When MFS uses a GTE access tandem to originate a call to a third party LEC, another CLC, a wireless service provider or another MFS end office, MFS shall compensate GTE at the rate of \$.0015 per minute. If GTE enters into an interconnection agreement with another CLC that provides for a transit rate lower than the rate set forth in GTE's tariff, that transit rate will be substituted for the rate set in this paragraph upon the effective date of that agreement. If MFS receives a call through GTE's access tandem that originates from another CLC, LEC, or wireless provider, MFS will not charge GTE any rate elements for this call, regardless of whether the call is local or toll. MFS will establish appropriate billing relationships directly with the other CLC, LEC, or wireless provider. MFS will not route calls through GTE's access tandems to any other CLC, LEC or wireless provider with which GTE has not entered into an interconnection agreement (including, but not limited to, Type 1, Type 2A and Type 2B interconnection agreements and interconnection agreements entered into pursuant to D. 95-12-056) that has been filed with and approved by the CPUC. If such calls are nonetheless so routed, GTE will not complete such calls.

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2. The following compensation rates shall apply for traffic carried from GTE to MFS via a GTE access tandem:
 - a. Bill and Keep: Applicable to all local (ZUM Zone 1 and ZUM Zone 2), Extended Area Service and ZUM Zone 3 traffic.
 - b. Toll Rate: Applicable to intraLATA toll calls, based on MFS's intrastate Switched Access rates as described below.
 - End office - per minute of use with the following sub-elements:

Set-up (per call)	
Minutes of use	

The applicable rates can be found in MFS's tariff CAL PUC No. 3, Section 5.
 - c. Transit Rate: GTE shall pay a transit rate equal to the rate set in Paragraph V.B.1.c when GTE uses a MFS switch to originate a call to a third party LEC, another CLC, a wireless service provider or another GTE access tandem.
3. The following compensation rates will apply from MFS to GTE and from GTE to MFS where a non-GTE access tandem is used:
 - a. Bill and Keep: Applicable to all local (ZUM Zone 1 and ZUM Zone 2), Extended Area Service and ZUM Zone 3 traffic.
 - b. Toll Rate: Applicable to intraLATA toll calls based on applicable switched access rates.
 - c. Both parties agree that traffic will be completed to one another immediately after this agreement is approved by the CPUC.
4. For intraLATA Toll Free Service calls where such service is provided by one of the Parties, the compensation set forth in Sections V.B.1.b and V.B.2.b, above, shall be charged by the Party originating the call

rather than the Party terminating the call. In addition, the Parties shall negotiate and agree upon charges to compensate the originating Party for performing the Automatic Message Accounting ("AMA") function and transferring AMA records to the other Party. The Party which performs the database dip shall charge the provider of the toll free service.

5. Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.
6. Each Party will provide to the other, within 20 calendar days after the end of each quarter (commencing with the first full quarter after the effective date of this Agreement), a usage report with the following information regarding traffic delivered over the Local Interconnection Trunk arrangements:
 - a. Total traffic volume described in terms of minutes and messages and by call type (local, toll and other) delivered to each other over the Local Interconnection Trunk Groups, and
 - b. PLU.
 - c. The parties will bill each other on a monthly basis and will agree upon the appropriate PLU to apply during the initial three month period.
7. Late payment charges for interconnection charges will be assessed as described in GTE's tariff CPUC Definitions and Rules, Rule 33 and MFS's tariff CAL PUC No. 3 Section 2.6.

C. Compensation for Use of Facilities for Local Interconnection

1. Where the POI for termination of the Local Interconnection Trunk Groups is at a tandem location different than the wire center where the EIS Cross-connection occurs, compensation for the facility and EIS Cross-connection shall be paid as follows:

The monthly cost of the facilities involved shall be determined for each Local Interconnection Trunk Group by adding the appropriate tariffed rates of each providing carrier for the inter-office facilities provided by that carrier, as described above, at either the DS-1 or DS-3 rate (whichever yields a lower total cost.) The facility cost for each group shall then be apportioned, pro rata, between the parties based upon the proportionate traffic flows over the group for the prior quarter consistent with the usage as reported in Section V.B.5.a. below. Until the parties have reported a full quarter under that section, the parties will share such facility costs equally.

D. Maintenance of Service

A maintenance of service charge applies whenever either Party requests the dispatch of the other Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:

1. No trouble is found in the interconnection trunks; or
2. The trouble condition results from equipment, facilities or systems not provided by the Party whose personnel were dispatched; or
3. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed Maintenance Limits.

If a Maintenance of Service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

Billing for Maintenance of Service shall be categorized and billed pursuant to the terms of GTE's tariff CPUC C-1, Section IV and MFS's tariff.

E. End User Repair Call Referrals

1. In answering repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services. Either Party may respond with factual information in answering customer questions.

2. MFS and GTE will provide their respective repair numbers to one another.

F. Busy Line Verification and Interrupt.

1. Description

- a. Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. MFS will use its best efforts to implement this service in the second quarter of 1996. Until MFS implements this service, GTE's operators will inform GTE's customers that the number requested cannot be verified.
- b. BLV and BLVI inquiries between operator bureaus shall be routed using network-routable access codes published in the LERG over separate trunks.

2. Compensation

Each Party shall charge the other Party for BLV and BLVI at the rates contained in their respective tariffs.

VI. CONFIDENTIALITY OF DIRECTORY ASSISTANCE AND WHITE PAGES LISTINGS

GTE will accord MFS's directory listings information the same level of confidentiality which GTE accords its own directory listing information, and GTE shall ensure that access to MFS's customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing and publishing of listings and directory delivery. GTE will not use MFS directory listings for the marketing of telecommunications services.

VII. RESPONSIBILITIES OF THE PARTIES

- A. MFS and GTE agree to exchange such reports and/or data as provided in this Agreement in Sections V.B.5 to facilitate the proper billing of traffic. Either Party may request an audit of such usage reports on no fewer than 10 business days' written notice and any audit shall be accomplished during normal business hours at the office of the Party being audited (Parsippany, NJ; San Ramon, CA; Dallas, TX; or Suburban Chicago, IL for MFS; Durham, North Carolina, Tampa, Florida, Fort Wayne, Indiana, or Irving, TX for GTE).

Such audit must be performed by a mutually agreed-to independent auditor paid for by the Party requesting the audit and may include review of the data described in Sections V.B.3 and V.B.4, above. Such audits shall be requested within six months of having received the PLU factor and usage reports from the other Party.

- B. MFS and GTE will review engineering requirements on a quarterly basis and establish forecasts for trunk and facilities utilization (in accordance with Section XI of this Agreement). GTE and MFS will work together to begin providing these forecasts by the effective date of this Agreement. New trunk groups will be implemented as dictated by engineering requirements for either GTE or MFS.
- C. MFS and GTE shall share responsibility for all Control Office functions for Local Interconnection Trunks and Trunk Groups, and all meet point trunks and trunk groups and both Parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.
- D. MFS and GTE shall:
 - 1. Provide trained personnel with adequate and compatible test equipment to work with each other's technicians.
 - 2. Notify each other when there is any change affecting the service requested, including the due date.
 - 3. Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order, meet agreed-upon acceptance test requirements, and are placed in service by the due date.
 - 4. Perform sectionalization to determine if a trouble is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other.
 - 5. Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks.
 - 6. Provide each other with a trouble reporting number that is readily accessible and available 24 hours/7 days a week.
 - 7. Provide to each other test-line numbers and access to test lines.

E. Bilateral Procedure

The Parties shall jointly review and implement a bilateral procedure regarding technical and operational interfaces. The Parties will use their best good-faith efforts to finalize such procedure within 90 days of the effective date of this Agreement.

- F. MFS and GTE will provide their respective billing contact numbers to one another.

VIII. TERM

MFS and GTE agree to interconnect with each other pursuant to the terms defined in this Agreement until it is superseded by a interconnection agreement negotiated between the Parties pursuant to Section 251 of the Telecommunications Act of 1996. Notwithstanding the foregoing, this Agreement shall, if not superceded by an interconnection agreement, expire two years after the effective date of the Agreement. In the event that the Agreement expires after two years, the interconnection arrangements in this Agreement shall remain in place until the Parties are able to negotiate and implement a new interconnection agreement. Negotiations on such a new agreement shall commence no later than 45 days prior to the expiration of this Agreement.

IX. EFFECTIVE DATE

The Parties shall file this Agreement by Advice Letter on or before April 10, 1996, and it shall become effective on the date 14 calendar days after the filing, unless rejected by CACD.

XI. TRUNK FORECASTING

- A. The Parties shall work towards the development of joint forecasting responsibilities for traffic utilization over trunk groups. Orders for trunks that exceed forecasted quantities for forecasted locations will be accommodated as facilities and or equipment are available. Intercompany forecast information must be provided by the Parties to each other twice a year. The semi-annual forecasts shall include:

1. Yearly forecasted trunk quantities (which include measurements that reflect actual tandem Local Interconnection Trunks and meet point trunks) for a minimum of three (current and plus-1 and plus-2) years;

2. The use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;
 3. A description of major network projects anticipated for the following six months.
- B. If differences in semi-annual forecasts of the Parties vary by more than twenty-four (24) trunks, the companies shall meet to attempt to reconcile the forecast to within twenty-four (24) trunks. If the Parties, after escalation to an executive level, are unable to reach such reconciliation, either Party may invoke the default option of one-way trunking.
- C. If a trunk group is under 75 percent of CCS capacity on a monthly average basis for each month of any six month period, either Party may issue an order to resize the trunk group, which shall be left with not less than 25 percent excess capacity. In all cases, grade of service objectives identified in Section XII following shall be maintained.
- D. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

XII. GRADE OF SERVICE

A blocking standard of one half of one percent (.005) during the average busy hour for final trunk groups between a MFS end office and a GTE access tandem carrying meet point traffic shall be maintained. All other final trunk groups are to be engineered with a blocking standard of one percent (.01).

XIII. TRUNK SERVICING

- A. Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Interconnection Service Request ("ISR").
- B. As discussed in this Agreement, both Parties will jointly manage the capacity of Local Interconnection Trunk Groups. GTE will send MFS a Trunk Group Service Request ("TGSR") to MFS to trigger changes GTE desires to the Local Interconnection Trunk Groups based on GTE's capacity assessment. MFS will issue an ISR to GTE:
- a) within 10 business days after receipt of the TGSR upon review of and in response to GTE's TGSR, or

- b) at any time as a result of MFS's own capacity management assessment,

to begin the provisioning process.

- C. Orders that comprise a major project shall be submitted at the same time, and their implementation shall be jointly planned and coordinated.
- D. MFS will be responsible for engineering its network on its side of the POI. GTE will be responsible for engineering the POI and its network on its side of the POI.

XIV. TROUBLE REPORTS

MFS and GTE will cooperatively plan and implement coordinated repair procedures for the meet point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner.

XV. NETWORK MANAGEMENT

A. Protective Controls

Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward each other's network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. MFS and GTE will immediately notify each other of any protective control action planned or executed.

B. Expansive Controls

Where the capability exists originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when mutually agreed to by the Parties.

C. Mass Calling

MFS and GTE shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

D. Separate Trunk Groups for High Usage Customers

MFS and GTE shall cooperate to establish separate trunk groups for the completion of calls to telephone numbers assigned to high usage customers such as Internet service providers.

XVI. FORCE MAJEURE

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body; or delays caused by the other Party or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

XVII. COMMISSION DECISION

This Agreement shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction. If any such modification renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement.

XVIII. LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other in connection with the provision of use of services offered under this Agreement for indirect, incidental, consequential, special damages, including (without limitation) damages for lost profits, regardless of the form of action, whether in contract, indemnity, warranty, strict liability, or tort. In connection with this limitation of liability, the Parties recognize that the either Party may, from time to time, provide advice, make recommendations or supply other analysis related to the equipment or services described in this Agreement and while the providing Party shall use diligent efforts in this regard, receiving Party acknowledges and agrees that this limitation of liability shall apply to provision of such advice, recommendation and analysis.

XIX. INDEMNITY

Each Party shall indemnify and hold the other harmless from any liabilities, claims or demands (including the costs, expenses and reasonable attorney's fees on account thereof) that may be made by third parties for:

- a) personal injuries, including death, or
- b) damage to tangible property

resulting from the sole negligence and/or sole wilful misconduct of that Party, its employees or agents in the performance of this Agreement. Each Party shall defend the other at the other's request against any such liability, claim or demand. Each Party shall notify the other promptly of written claims or demands against such Party of which the other Party is solely responsible hereunder.

XX. ASSIGNMENT

This Agreement may be assigned by either Party upon sixty (60) days advance written notice to the other Party and upon obtaining the written consent of the other Party, which consent will not be unreasonably withheld. Consent shall not be required in the event that the assignment is to an entity that purchases or otherwise acquires a controlling interest in or purchases the customer base or the assets of the assigning Party.

XXI. DEFAULT

If either Party believes the other is in breach of the agreement or otherwise in violation of law, it shall first give thirty (30) days' notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, or immediately if the default effectively prevents the interconnection of the parties' networks, the Parties shall employ the Dispute Resolution procedures set forth at pp. 36-39 of the Order.

XXII. NONDISCLOSURE

- A. All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication of directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within

ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.

- B. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
- C. Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for performing the covenants contained in the Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- D. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as:
 - (i) was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
 - (ii) is or becomes publicly known through no wrongful act of the receiving Party; or
 - (iii) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
 - (iv) is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
 - (v) is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or
 - (vi) is approved for release by written authorization of the disclosing Party; or
 - (vii) is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall

give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

- E. **Effective Date Of This Section.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.
- F. The nondisclosure obligations of this Agreement shall survive the expiration of this Agreement for a period of two years.

XXIII. DISPUTE RESOLUTION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, the Parties shall first confer to discuss the dispute and seek resolution prior to taking any action before any court or regulator, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each Party. In the case of GTE, its Vice President, or equivalent officer, shall participate in the meet and confer meeting, and MFS's Vice President, Regulatory Affairs, or equivalent officer, shall participate. Thereafter, for any matter that either Party wishes to bring before the CPUC for resolution, the Parties will employ the Dispute Resolution procedures set forth in pp. 36-39 of the Order, recognizing that the Parties have already escalated the dispute to the executive level as provided in the Dispute Resolution procedures.

XXIV. UNIQUE CIRCUMSTANCES

MFS and GTE acknowledge that the terms of this Agreement are appropriate for initial tandem-level interconnections between the Parties, given the particular networks deployed by each and the need for swift deployment of interconnection trunks. This Agreement shall not, therefore, be considered precedential with regard to interconnection between any other parties.

XXV. EXECUTION IN DUPLICATE

This Agreement may be executed in duplicate copies, and, upon said execution, shall be treated as an executed document.

XXVI. NOTICES

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below, by both facsimile and by U.S. Mail:

GTE
Wayne Irwin
Director, Carrier Markets
One GTE Place, CA500CM
Thousand Oaks, CA 91362
(805) 372-8845 (Phone)
(805) 373-6248 (FAX)

GTE
Susan D. Rossi
Legal Dept.
One GTE Place, CA500LB
Thousand Oaks, CA 91362
(805) 372-7071 (Phone)
(805) 373-7515 (FAX)

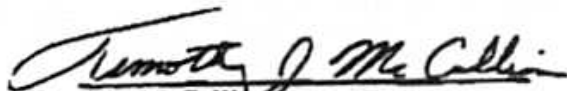
MFS Intelenet, Inc.
Eric A. Artman
Director of Regulatory Affairs
185 Berry St., Suite 5100
San Francisco, CA 94107
(415) 882-2311 (Phone)
(415) 957-3758 (Fax)

MFS Communications Company
Alex J. Harris
Vice President, Regulatory Affairs
33 Whitehall St., 15th Floor
New York, NY 10004
(212) 843-3051
(212) 843-3060

Each Party shall inform the other of any changes in the above addresses or telephone numbers.

Any such notice shall be effective at the end of the first business day following transmission of the facsimile notice.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.



Tim McCallion
Vice President - West
Regulatory and Governmental Affairs

on behalf of

GTE

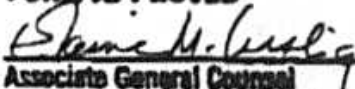


Christopher Ungson
Assistant Vice President
Local Services Development

on behalf of

MFS Communications Company

FORM APPROVED


Associate General Counsel

Date 4/9/96

CO-CARRIER AGREEMENT

NOVEMBER 17, 1995

Pursuant to this Co-Carrier Agreement ("Agreement"), MFS Intelenet of California, Inc. ("MFS") and Pacific Bell ("Pacific") (collectively, "the Parties") will extend certain arrangements to one another within each LATA in which they both operate within the State of California, as described and according to the terms, conditions and pricing specified hereunder. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. It will be submitted to the California Public Utilities Commission as a compliance filing, and the Parties will specifically request that the Commission refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement. So long as the Agreement remains in effect, the Parties shall not advocate before any legislative, regulatory, or other public forum that any terms of this specific Agreement be modified or eliminated. Notwithstanding this mutual commitment, however, the Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

I. RECITALS & PRINCIPLES

WHEREAS, universal connectivity between competing common carriers is necessary for the termination of traffic on each carrier's network; and

WHEREAS, absent such connectivity the utility of communications services to individual consumers and to society as a whole would be severely and unnecessarily diminished; and

WHEREAS, the Parties should be able to efficiently, flexibly, and robustly exchange traffic and signalling at well-defined and standardized points of mutually agreed interconnection; and

WHEREAS, the Parties acknowledge that the terms and conditions herein represent a balancing of interests critical to the parties, and for that reason will, unless otherwise agreed, implement this Agreement as an integrated package without alteration of any material term or condition, or the inclusion or deletion of terms and conditions that would serve to alter a material term or condition herein;

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

II. DEFINITIONS

- A. "Automatic Number Identification" or "ANI" is a Feature Group D signalling parameter which refers to the number transmitted through the network identifying the billing number of the calling party.
- B. "Calling Party Number" or "CPN" is a Common Channel Signalling parameter which refers to the number transmitted through the network identifying the calling party.
- C. "Central Office Switch", "Central Office" or "CO" means a switching entity within the public switched telecommunications network, including but not limited to:

"End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered.

"Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between and among Central Office Switches.

Central Office Switches may be employed as combination End Office/Tandem Office switches (combination Class 5/Class 4).

- D. **"CLASS Features"** mean certain CCS-based features available to end users. CLASS features include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection.
- E. **"Commission"** means the California Public Utilities Commission.
- F. **"Common Channel Signalling"** or **"CCS"** means a method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network elements that carry the actual call.
- G. **"Cross Connection"** means an intra-wire center channel connecting the Parties' separate pieces of telecommunications equipment.

- H. "Directory Number Call Forwarding" or "DNCF" means an interim form of Service Provider Number Portability ("SPNP") which is provided through existing and available call routing and call forwarding capabilities. DNCF will forward calls dialed to an original telephone number to a new telephone number on a multi-path basis. DNCF is not limited to listed directory numbers.
- I. "DS-1" is a digital signal rate of 1.544 Mbps (Mega Bits Per Second).
- J. "DS-3" is a digital signal rate of 44.736 Mbps.
- K. "Electronic File Transfer" refers to any system/process which utilizes an electronic format and protocol to send/receive data files.
- L. "Exchange Message Record" or "EMR" is the standard used for exchange of telecommunications message information among Local Exchange Carriers for billable, non-billable, sample, settlement and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, a Bellcore document which defines industry standards for exchange message records.
- M. "Exchange Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Exchange Service includes basic residence and business line service, PBX trunk line service, pay phone line service,

Centrex line service and ISDN line services. Exchange Service does not include Private Line, Toll, Switched and Special Access services.

- N. "Expanded Interconnection Service" or "EIS" is the physical collocation arrangement which Pacific provides in its designated Pacific wire centers, and shall have the same meaning as set forth in Pacific's CPUC Tariff 175-T, Sec. 16 (Advice Letter No. 17501). Under this Agreement, EIS services shall be governed by this state contract and services shall be purchased under state EIS tariffs.
- O. "Expanded Interconnection Service-Cross Connection" or "EISCC" is Pacific's cross connection service it provides in conjunction with EIS, and shall have the same meaning as set forth in Pacific's CPUC Tariff 175-T, Sec. 16 (Advice Letter No. 17501). Under this Agreement, EISCC services shall be governed by this state contract and services shall be purchased under state EIS tariffs.
- P. "Interconnection" means the connection of separate pieces of equipment, transmission facilities, etc., within, between or among networks. The architecture of interconnection may include several methods including, but not limited to, collocation arrangements.
- Q. "Interexchange Carrier" or "IXC" means a provider of stand-alone interexchange telecommunications services.
- R. "ISDN" means Integrated Services Digital Network, which is a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN

(BRI-ISDN) provides for digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B + D).

- S. "Link" means a service whereby Pacific will provide transport between the Minimum Point of Entry (MPOE) at an end user premise and the Pacific wire center from which the transport is extended. The Link is connected within Pacific's wire center by an EISCC to an EIS, solely to provide an authorized Exchange Service to the end user. Links are technology neutral and the Link purchaser is not permitted to specify any technology type so long as Links meet the specifications set forth herein. The following types of Links will be provided:

"Basic Link": A Basic Link provides a two wire circuit or equivalent voice frequency channel for the transmission of analog signals with an approximate bandwidth of 300 to 3000 Hz (POTS grade). Basic Links have an expected measured loss of approximately -8 dB. Within the 300 to 3000 Hz. range, Basic Links will support repeat loop start, loop reverse battery, or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user)..

"ISDN Link": An ISDN Link provides a 2-wire ISDN digital grade connection that will support digital transmission of two 64 Kbps clear channels and one 16 Kbps data channel (2B+D), suitable for provision of BRI-ISDN service. ISDN Links will have the electrical attributes such that BRI-ISDN could be provided with the ISDN Link if it were used in conjunction with Pacific's network and switches in cases which require no special electronics for loop extension

(typically beyond 12000 feet). MFS may design its own methods for loop extension and will implement those at its own cost or may purchase from Pacific any methods used by Pacific which do not require Pacific's switch functionality.

- T. "Local Exchange Carrier" or "LEC" and "Competitive Local Carrier" or "CLC" shall have the meanings as set forth in the Commission's Rules for Local Competition, D. 95-07-054, App. A Sections 3.A and B, respectively.
- U. "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs (including a LEC and a CLC) jointly provide the transport element of a switched access service to one of the LEC's (or CLC's) end office switches, with each LEC (or CLC) receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.
- V. "MECAB" refers to the Multiple Exchange Carrier Access Billing (MECAB) document prepared by the Billing Committee of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs (including a LEC and a CLC), or by one LEC in two or more states within a single LATA.
- W. "MECOD" refers to the Multiple Exchange Carriers Ordering and Design (MECOD) Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the

auspices of the Ordering and Billing Forum (OBF), which functions under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The MECOD document, published by Bellcore as Special Report SR STS-002643, establishes methods for processing orders for access service which is to be provided by two or more LECs (including a LEC and a CLC).

- X. "Multiple Bill/Multiple Tariff method" means the meet-point billing method where each LEC (or CLC) prepares and renders its own meet point bill to the IXC in accordance with its own tariff for that portion of the jointly-provided Switched Access Service which the LEC (or CLC) provides. The industry's MECAB documents refer to this method as "Multiple Bill/Single Tariff".
- Y. "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.
- Z. "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A "Geographic NPA" is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that Geographic area. A "Non-Geographic NPA", also known as a "Service Access Code" (SAC Code) is typically associated with a specialized telecommunications service which

may be provided across multiple geographic NPA areas; 500, 800, 900, 700, and 888 are examples of Non-Geographic NPAs.

- AA. "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the North American Numbering Plan ("NANP"). Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- BB. "Permanent Number Portability" means an industry (including Pacific and MFS)-agreed to, government-mandated, or Commission-approved long term solution to provide Service Provider Number Portability to customers who wish to retain their existing telephone numbers when changing carriers.
- CC. "Rate Center" means the specific geographic point and corresponding geographic area which are associated with one or more particular NPA-NXX codes which have been assigned to a LEC (or CLC) for its provision of Exchange Services. The "rate center point" is the finite geographic point identified by a specific V&H coordinate, which is used to measure distance-sensitive end user traffic to/from the particular NPA-NXX designations associated with the specific Rate Center. The "rate center area" is the exclusive geographic area identified as the area within which the LEC (or CLC) will provide Exchange Services bearing the particular NPA-NXX designations associated with the specific Rate Center. The Rate Center point must be located within the Rate Center area.

DD. "Routing Point" means a location which a LEC or CLC has designated on its own network as the homing (routing) point for traffic inbound to Exchange Services provided by the LEC or CLC which bear a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access Services. Pursuant to Bellcore Practice BR 795-100-100, the Routing Point may be an "End Office" location, or a "LEC Consortium Point of Interconnection". Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier (CLI) code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The above referenced Bellcore document refers to the Routing Point as the Rating Point. The Rating Point/Routing Point need not be the same as the Rate Center Point, nor must it be located within the Rate Center Area, but must be in the same LATA as the NPA-NXX.

EE. "Service Provider Number Portability" or "SPNP" means the technical ability to enable an end user customer to utilize its telephone number within its current LEC or CLC wire center serving area, in conjunction with a technically compatible Exchange Service provided by any duly authorized LEC or CLC, regardless of whether the customer's chosen LEC or CLC is the carrier which originally assigned the number to the customer.

FF. "Signal Transfer Point" or "STP" performs a packet switching function that routes signalling messages among Service Switching Points (SSPs), Service Control Points (SCPs), Signalling Points (SPs), and other STPs in order to set up calls and to query databases for advanced services.

- GG. "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of traffic to or from Exchange Services offered in a given area. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access, and 900 access. Switched Access does not include services offered over LISA and JANE facilities.
- HH. "Wire Center" denotes a building or space within a building which serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched. Wire center can also denote a building in which one or more central offices, used for the provision of Exchange Services and access services, are located. However, for purposes of EIS, Wire Center shall mean those points eligible for such connections as specified in the FCC Docket No. 91-141, and rules adopted pursuant thereto.
- II. "Local Interconnection Service Arrangement" (LISA) provides for the termination of local exchange and IntraLATA telephone traffic from MFS' network to Pacific's network. While LISA connections are configured as one-way trunks for traffic transmission, they will be two-way trunks for testing purposes. LISA provides the transmission path, tandem switching and/or end office switching, and end user-termination functions to complete telephone communications from MFS' customers to Pacific's customers and customers of other LECs, CLCs, or wireless service providers that may be connected to Pacific's tandem switches in the LATA. LISA must be provided through separate trunk groups as specified herein. LISA does not provide connection to E911 or other services,

except as specified herein. LISA is only provided where facilities and operating conditions permit, provided, each Party shall exercise reasonable steps to provide the facilities and services described herein.

- JJ. "JANE" is the local interconnection service arrangement that provides for the termination of local exchange and IntraLATA telephone traffic from Pacific to MFS' network. While JANE connections are configured as one-way trunks for traffic transmission, they will be two-way trunks for testing purposes. JANE provides those functions necessary to complete telephone communications from Pacific's customers and customers of other LECs, CLCs, or wireless service providers that may be connected to Pacific's tandem switches in the LATA, to MFS' customers. It will be offered on the same general terms and conditions as described above in the definition of LISA.

III. NETWORK INTERCONNECTION ARCHITECTURE

The Parties shall interconnect the trunk groups specified in Parts V., VI., and VII.(A), as defined below:

- A. In each LATA identified below, the correspondingly identified Pacific and MFS wire centers shall serve as the Initial LISA Interconnection Point ("ILIP") and Initial JANE Interconnection Point ("IJIP"), respectively, at which Pacific and MFS will interconnect their networks for interoperability within that LATA.

LATA

ILIP

IJIP

San Francisco LATA 722	SNFCCA21 611 Folsom St. San Francisco, Ca	SNFCCASK 525 Market St., 6th Flr San Francisco, Ca
San Diego LATA 732	SNDGCA02 650 Robinson Ave. San Diego, Ca	SNDACADJ 10065 Barnes Canyon Rd. San Diego, Ca
Los Angeles LATA 730	LSANCA04 Los Angeles, Ca	LSANCATH 1149 S. Broadway, 2nd fl Los Angeles, Ca

- B. MFS shall interconnect to MPB circuits, LISA trunk circuits, and E9-1-1 circuits at the ILIP, pursuant to Sections V., VI., and VII.(A) of this Agreement, respectively, through a digital hand-off at the EIS arrangement MFS maintains at each ILIP wire center. MFS shall purchase an appropriate EISCC service in order to interconnect to those trunk groups. Alternatively, MFS may interconnect to those trunk groups at the ILIP by purchasing Pacific's Special Access and, if requested, multiplexing services.
- C. Pacific shall interconnect to JANE trunk circuits at the IJIP pursuant to Section VI. of this Agreement. MFS shall provide sufficient space at or near the Minimum Point of Entry (MPOE) Pacific maintains in the IJIP wire center in order for Pacific to establish a JANE point of presence, from which Pacific may purchase cross-connection services for interconnection to the JANE trunk groups. MFS shall charge Pacific a monthly recurring charge of \$100.00 per rack for the JANE point of presence at each IJIP.

The JANE cross connection charges shall be equal to the facility level-equivalent EISCC charges Pacific applies to MFS for LISA connections. Alternatively, Pacific may interconnect to those trunk groups at the LIIP by purchasing MFS' Special Access and, if requested, multiplexing services.

- D. In the event MFS determines to offer Exchange Services in any other LATA in which Pacific also offers Exchange Services, MFS shall provide written notice to Pacific of the need to establish arrangements pursuant to this Agreement in such LATA. Such notice shall include the date on which MFS requires activation of the arrangements in that LATA, and shall be provided not less than four (4) months in advance of that date. Unless expressly agreed otherwise by the Parties in advance, one Pacific and one MFS wire center will be designated as ILIP and LIIP, respectively, in each new LATA as follows:

1. The Pacific wire center within the LATA at which MFS maintains a collocation facility shall be designated as the ILIP for the LATA. In the event MFS maintains collocation facilities at more than one Pacific wire center in the LATA at the time MFS' notice is delivered to Pacific, the co-located Pacific wire center which at that time handles the greatest amount of switched access traffic shall be designated as the ILIP for the LATA. MFS shall interconnect to Pacific at the ILIP in the manner described in sub-paragraph B above.
2. The MFS wire center within the LATA which is selected by Pacific shall be designated as the LIIP for the LATA. Where practical, the MFS wire center which MFS has designated as its initial Routing

Point for NXX codes in that LATA shall serve as the IJP for the LATA. Pacific's interconnection at the IJP shall be in the manner described in sub-paragraph C above.

MFS' notice to Pacific shall identify the Pacific wire center it expects to employ as ILIP pursuant to the above. Likewise, such notice shall also identify the MFS wire center which MFS has designated as its initial Routing Point for NXX codes in the LATA. Within 10 business days of receiving MFS' notice, Pacific shall provide a written notice back to MFS confirming the ILIP and IJP or stating reasons why the ILIP may not be appropriate and proposing an alternative.

IV. NUMBER RESOURCE ARRANGEMENTS

- A. Nothing in this Agreement shall be construed to in any manner limit or otherwise adversely impact either Party's right to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines (last published by the Industry Numbering Committee ("INC") as INC 95-0407-008, Revision 4/7/95, formerly ICCF 93-0729-010).
- B. For the term of this Agreement, MFS shall adopt the Rate Center areas and Rate Center points that the Commission has approved for Pacific whenever MFS offers Exchange Services in an area in which Pacific is the incumbent LEC, and shall assign whole NPA-NXX codes to each Rate Center.

- C. MFS will also designate a Routing Point for each assigned NXX code. MFS may designate one location within each Rate Center as the Routing Point for the NPA-NXXs associated with that Rate Center; alternatively, MFS may designate a single location within one Rate Center to serve as the Routing Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by MFS within the same LATA.
- D. To the extent Pacific serves as Central Office Code Administrator for a given region, Pacific will support all MFS requests related to central office (NXX) code administration and assignments in the manner required and consistent with the Central Office Code Assignment Guidelines.
- E. The Parties will comply with code administration requirements as prescribed by the Federal Communications Commission, the Commission, and accepted industry guidelines.
- F. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide (LERG) guidelines to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- G. Each Party shall be responsible for notifying its customers of any changes in dialing arrangements due to NPA exhaust.

V. MEET-POINT BILLING ARRANGEMENTS

A. Description

1. Meet-point billing ("MPB") arrangements shall be established between the Parties to enable MFS to provide, at its option, Switched Access Services to third parties via a Pacific access tandem switch, in accordance with the Meet-Point Billing guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein. In the case of Switched Access Services provided through Pacific's Access Tandem, Pacific will not offer blocking capability for interexchange carrier traffic delivered to Pacific's tandem for completion on MFS' network. Pacific and MFS understand and agree that MPB arrangements are available and functional only to/from interexchange carriers who directly connect with the tandem(s) that MFS sub-tends in each LATA. In no event will Pacific be required to route such traffic through more than one tandem for connection to/from an interexchange carrier. Pacific shall have no responsibility to ensure that any Interexchange Carrier will accept traffic MFS directs to the Interexchange Carrier.
2. Except in instances of capacity limitations, Pacific shall permit and enable MFS to sub-tend the Pacific access tandem switch(es) nearest to the MFS Routing Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem switch, MFS shall be allowed to sub-tend the next-nearest Pacific access tandem switch in which sufficient capacity is available.

3. Interconnection for the MPB arrangement shall occur at the ILIP, consistent with the terms and conditions herein. Switched Access EISCC charges shall apply to the MPB connection where such connection is made through EIS.
4. Common channel signalling ("CCS") shall be utilized in conjunction with meet-point billing arrangements to the extent such signalling is resident in the Pacific access tandem switch.
5. MFS and Pacific will use their best reasonable efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this meet-point billing arrangement, including meet-point billing percentages.
6. As detailed in the MECAB document, MFS and Pacific will in a timely fashion exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by MFS and Pacific via the meet point arrangement. Information shall be exchanged in Electronic Message Record ("EMR") format on magnetic tape or via a mutually acceptable electronic file transfer protocol.
7. MFS and Pacific shall employ the calendar month billing period for meet-point billing, and shall provide each other, at no charge and once a month (unless otherwise mutually agreed between the Parties), the switched access detailed usage data. Pacific will

provide MFS with the switched access detailed usage data within 10 days of the end of the calendar month billing period. MFS will provide to Pacific the switched access summary usage data within 45 days of receipt from Pacific of the switched access detailed usage data.

8. MPB will not apply for calls redirected from Pacific's switched access to Pacific's DDCF service over JANE trunks to MFS. Instead, Pacific shall retain all of the switched access charges associated with this traffic and MFS shall receive Reciprocal Compensation as provided in Section VI. below.

B. Compensation

1. Billing to 3rd-parties (including any future interexchange entities operated by Pacific or its affiliates) for the Switched Access Services jointly provided by MFS and Pacific via the meet-point billing arrangement shall be according to the multiple-bill/multiple-tariff method. However, upon mutual agreement, Pacific will also bill jointly provided switched access services through a single bill/multiple tariff arrangement. Switched Access charges to 3rd-parties shall be calculated utilizing the rates specified in MFS' and Pacific's respective federal and state access tariffs, in conjunction with the appropriate meet-point billing percentages specified for each meet-point arrangement either in those tariffs, in the NECA No. 4 tariff, or any functional successor to the NECA No. 4 tariff.

2. MPB will apply to all traffic bearing the 800, 888, or any other non-geographic NPA which may be likewise designated for such traffic in the future, where the responsible party is an IXC. In those situations where the responsible party for such traffic is a LEC or CLC, full switched access rates will be charged to the responsible LEC or CLC.

VI. RECIPROCAL TRAFFIC EXCHANGE ARRANGEMENT

A. Description

The Parties shall reciprocally terminate local exchange traffic and intraLATA toll calls originating on each others' networks, as follows:

1. The Parties shall make available to each other the following trunk connections for the reciprocal exchange of local exchange traffic and intraLATA toll traffic:
 - a. Pacific shall make available to MFS at the ILIP, trunk connections over which MFS may terminate local exchange traffic and intraLATA toll traffic. These trunk connections shall be designated as "LISA trunks".
 - b. MFS shall make available to Pacific at the LJIP, trunk connections over which Pacific may terminate local exchange traffic and intraLATA toll traffic. These trunk connections shall be designated as "JANE trunks".

2. Initial LISA trunks will be configured into a single consolidated trunk group over which MFS may terminate local exchange traffic and intraLATA toll on a LATA-wide basis (including local exchange traffic and intraLATA toll traffic to other LECs, CLCs, or wireless service providers which sub-serve Pacific's access tandems). The initial LISA facility connection will be made at the DS-3 level, with additional trunk capacity added in DS-1 or multiple DS-1 increments. Pursuant to the Joint Interconnection Grooming Plan prescribed in point 4, below, appropriate numbers of LISA trunks shall be separated into segregated LISA trunk groups. Further, pursuant to the Joint Interconnection Grooming Plan, each segregated LISA trunk group shall be configured as a direct trunk group connection from a specific end office or tandem switch in MFS' network, to a specific end office or tandem switch in Pacific's network. When segregated trunk groups are established under the Joint Grooming Plan, then pursuant to MFS' sole preference, Pacific will make available, and MFS will interconnect to each subsequently segregated LISA trunk group at: (1) the ILIP; (2) the wire center housing the Pacific switch to which the segregated LISA trunk group is terminated; or (3) any Pacific wire center which is designated as a serving wire center for access purposes, where the distance between such wire center and the wire center housing the Pacific switch to which the segregated LISA trunk group is terminated, is no greater than the distance between the ILIP and the wire center housing the Pacific switch to which the segregated LISA trunk group is terminated. Where MFS interconnects to LISA trunk groups at points other than the ILIP, interconnection shall

occur under the same terms as specified for interconnection at the ILIP in Section III.B of this Agreement.

3. Initial JANE trunks will be configured into a single consolidated trunk group over which Pacific may terminate local exchange traffic and intraLATA toll on a LATA-wide basis to MFS (including local exchange traffic and intraLATA toll traffic originated by other LECs, CLCs, or wireless service providers). The initial JANE facility connection will be made at the DS-3 level, with additional trunk capacity added in DS-1 or multiple DS-1 increments. Pursuant to the Joint Interconnection Grooming Plan described in point 4, below, appropriate numbers of JANE trunks shall be separated into segregated JANE trunk groups. Further, pursuant to the Joint Interconnection Grooming Plan, each segregated JANE trunk group shall be configured as a direct trunk group connection from a specific end office or tandem switch in Pacific's network, to a specific end office or tandem switch in MFS' network. When segregated trunk groups are established under the Joint Grooming Plan, then pursuant to Pacific's sole preference, MFS will make available, and Pacific will interconnect to each subsequently segregated JANE trunk group at: (1) the ILIP; (2) the wire center housing the MFS switch to which the segregated JANE trunk group is terminated; or (3) any MFS wire center which is designated as a serving wire center for access purposes, where the distance between such wire center and the wire center housing the MFS switch to which the segregated JANE trunk group is terminated, is no greater than the distance between the ILIP and the wire center housing the MFS switch to which the segregated JANE trunk group

is terminated. Where Pacific interconnects to JANE trunk groups at points other than the LJP, interconnection shall occur under the same terms as specified for interconnection at the LJP in Section III.C of this agreement.

4. The Parties will jointly develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that traffic exchanged over the LISA and JANE trunk groups experiences a consistent P.01 or better grade of service, and other appropriate, relevant industry-accepted quality, reliability and availability standards. Such plan shall also include mutually-agreed upon standards for the configuration of segregated LISA trunk groups and segregated JANE trunk groups. In addition, the plan shall also include standards and procedures for notification of trunk disconnections and discoveries of trunk disconnections; neither Party shall be expected to maintain active status for a trunk disconnected by the other Party for an extended or indefinite period of time. The Parties will use their best collective good faith efforts to complete and agree on such plan within 90 days following execution of this agreement.
5. The Parties will provide Common Channel Signalling (CCS) to one another, where and as available, in conjunction with all LISA and JANE trunk groups. The Parties will cooperate in the exchange of Transaction Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each carrier offers such features and functions to its own

end users. All CCS signalling parameters will be provided including calling party number (CPN), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored. Where available, network signalling information such as Carrier Identification Parameter (CCS platform) and CIC/OZZ information (non-CCS environment) will be provided wherever such information is needed for call routing or billing. The Parties will follow all Ordering and Billing Forum adopted standards pertaining to CIC/OZZ codes. Where CCS is not available, in-band multi-frequency (MF) wink start signalling will be provided; this MF arrangement will require a separate LISA trunk group between MFS' switch and Pacific's access tandem. After March 1, 1996, the Parties shall establish segregated LISA and JANE trunk groups as needed to allow for ISDN interoperability utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission.

6. The Parties shall establish CCS interconnections STP-to-STP in each LATA where MFS provides service. Such interconnections shall be made at the ILIP and/or other points, as necessary and as jointly agreed to by the parties.
7. The terms of the Joint Interconnection Grooming Plan specified in point 4, above, notwithstanding, MFS may opt at any time to terminate to Pacific some or all local exchange traffic and intraLATA toll traffic originating on its network, together with switched access traffic, via Feature Group D Switched Access services MFS may otherwise purchase from Pacific, subject to the rates, terms and conditions specified in Pacific's standard intrastate

FGD access tariffs. Neither Party shall terminate switched access traffic over LISA or JANE trunks.

B. Compensation

1. The following reciprocal compensation rates shall apply for traffic carried between Pacific and MFS via LISA or JANE trunks:
 - a. Blended rate: \$.0087 per minute.
 - b. Local rate: \$.0075 per minute.
 - c. Toll rate: \$.014 per minute.
 - d. LISA transit rate: \$.0085 per minute.
 - e. JANE transit rate: \$.00 per minute. (No charge.)
2. Measurement of billing minutes of use over LISA/JANE trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual LISA/JANE trunk group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.
3. Pacific shall track and total each month the conversation seconds for which it performed DNCF and then routed such traffic to MFS over JANE trunks. Pacific shall supply this total number of conversation seconds to MFS each month for each JANE trunk group. MFS shall charge Pacific for these conversation seconds at the Blended rate specified above. MFS shall track and total each month the conversation seconds for which it performed DNCF and then routed such traffic to Pacific over LISA trunks. MFS shall

supply this total number of conversation seconds to Pacific each month for each LISA trunk group. Pacific shall charge MFS for these conversation seconds at the Blended rate specified above.

4. Each Party shall determine the traffic type for each call it receives from the other Party over a LISA/JANE trunk, by comparing the Calling Party Number (CPN) in the call record to the called party number in the record.
 - a) For the total conversation seconds where the CPN is not present in the call record, the Toll rate specified above shall apply.
 - b) For the total conversation seconds on JANE trunks where the CPN bears an NPA-NXX assigned to a third party LEC, CLC, or wireless service provider the JANE transit rate specified above shall apply. For the total conversation seconds on LISA trunks where the called party number bears an NPA-NXX assigned to a third party LEC, CLC, or wireless service provider the LISA transit rate specified above shall apply.
 - c) For the total conversation seconds where the CPN bears an NPA-NXX assigned to the other Party, where such NPA-NXX is associated with a rate center point more than 12 miles from the rate center point of the called party number, the Toll rate specified above shall apply.

- d) For the total conversation seconds where the CPN bears an NPA-NXX assigned to the other Party, where such NPA-NXX is associated with a rate center point within 0-12 miles of the rate center point of the called party number, that number of total conversation seconds charged at the Blended rate per paragraph 3, above, shall be subtracted and the remainder shall be billed at the Local rate specified above.
- e) For BLV/BLVI calls on LISA/JANE trunks, and DA calls over JANE trunks, only the charges specified for those calls in Sections VII.D. and VII.E., respectively, shall apply.

To the extent that in any given billing period one Party is unable to determine traffic type as specified above, it shall request, and the other Party shall provide, percentage of use factors for all traffic which the second Party terminated to the first over LISA/JANE trunks.

5. Pacific and MFS shall impose no per trunk monthly recurring charges for LISA and JANE trunks. However, MFS shall pay Pacific non-recurring charges for LISA trunks, and Pacific shall pay MFS non-recurring charges for JANE trunks. The non-recurring charges for LISA and JANE trunks shall be: (1) to the tandem, \$530 for the first trunk and \$8 each additional trunk; and (2) to the end office, \$650 for the first trunk and \$6 for each additional trunk. In addition, labor charges for work outside of normal day business hours or for additional testing beyond normal testing, when such

work or testing is requested by either Party, shall apply to the Party requesting that the work be performed.

VII. ANCILLARY PLATFORM ARRANGEMENTS

A. E-9-1-1

1. Pacific will provide E9-1-1 service to MFS under the terms and conditions of its E9-1-1 tariff proposal in L.95-04-43 and R.95-04-044. When such tariff is approved by the Commission, to the extent it establishes lower rates and charges than those contained in this Agreement, such lower rates and charges shall apply and Pacific will credit MFS the difference between what it has paid Pacific under this agreement and what MFS would have paid Pacific under the approved tariff. This credit shall be for an amount of no more than the difference in rates and charges for three months of E-9-1-1 charges under this agreement.

2. Pacific will provide Enhanced 9-1-1 (E9-1-1) service to MFS at the following rates and charges:

<u>Service</u>	<u>Non-Recurring Charge</u>	<u>Monthly Rate</u>
Network		
• CAMA Trunk (Minimum of 2 trunks required)	\$741 (per trunk)	\$26 (per trunk) \$2 per mile (per trunk)
Data Management		
• E9-1-1 Tandem Switching (per 1,000 records)		\$15
• Data Management Support and storage, selective routing, and ALI retrieval (per 1,000 records)		\$99
• Manual Input of MFS subscriber records (per 100 records input in a one month period)	\$342	
• Error Correction of MFS subscriber records (per record)	\$3.50	
• Charge for MSAG (per County/per sort)	\$80	
• ACES Card Management (per card)	-	\$6
• ACES Card replacement (lost or stolen)	\$140	

3. Pacific will provide MFS with an electronic interface from which MFS may input and update subscriber records. To the extent this electronic interface is not available by February 1, 1996, Pacific will waive any charges associated with manual input of subscriber records until such time as the interface is made available.
4. Pacific and MFS will work cooperatively to arrange meetings with PSAPs to answer any technical questions the PSAPs or County coordinators may have regarding the E9-1-1 portions of this agreement.

B. Transfer of Service Announcements

When an end user customer changes from Pacific to MFS, or from MFS to Pacific, and does not retain its original telephone number, the Party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number. Each Party will provide this referral service consistent with its tariff. This announcement will provide details on the new number to be dialed to reach this customer.

C. Coordinated Repair Calls

MFS and Pacific will employ the following procedures for handling misdirected repair calls:

1. MFS and Pacific will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.

2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. In responding to repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services. Either Party may respond with accurate information in answering customer questions.

3. MFS and Pacific will provide their respective repair contact numbers to one another on a reciprocal basis.

D. Busy Line Verification and Interrupt

1. Description

- a. Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users.
- b. BLV and BLVI inquiries between operator bureaus shall be routed over the LISA and JANE trunks.

2. Compensation

Each Party shall charge the other Party for BLV and BLVI at the rates contained in Pacific's CPUC tariff 175-T.

E. Directory Assistance (DA)

1. Description

At MFS' request, Pacific will:

- a. Provide to MFS over the LISA trunks unbranded directory assistance service which is comparable in every way to the directory assistance service Pacific makes available to interexchange carriers.
- b. In conjunction with sub-paragraph (a) above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service Pacific generally makes available to its own end users, to the extent Pacific generally offers such service to its end users.

2. Compensation

Pacific shall charge MFS for DA services at the rates contained in Pacific's CPUC tariff 175-T.

F. Directory Listings and Directory Distribution

The terms specified in this section shall apply to MFS customer numbers falling within NXX codes directly assigned to MFS, and to MFS customer telephone numbers which are retained by MFS pursuant to SPNP as described in Section IX.

1. Pacific publishes and distributes white pages directories through its wholly owned subsidiary, Pacific Bell Directory (PBD), which acts as its agent for the white pages. PBD also publishes and distributes yellow pages directories which PBD owns. Pacific and PBD will deal with subscribers of MFS on the same basis and in the identical manner as they deal with subscribers of Pacific respecting inclusion in and delivery of white and yellow pages directories (including all hard copy and electronic directories). Respecting inclusion in white pages directories, the Parties shall use their best reasonable efforts to develop and implement a process whereby MFS will be able to review and correct proofs of its customers' white pages listings in advance of directory publication. Respecting inclusion in and delivery of yellow pages directories, PBD will not discriminate against subscribers of MFS who seek advertising in the yellow pages by reason of their affiliation with MFS, but with respect to these subscribers, PBD will use the same criteria in determining whether or not to publish advertisements and listings in the yellow pages as it uses for its other customers or potential customers for advertising.

By reason of this agreement, PBD assumes no liability toward MFS or toward any of its subscribers for errors in or omissions of advertisements or listings in the above-mentioned directories.

PBD's liability, if any, for such errors or omissions shall be governed solely by its separate contracts with its individual customers, and shall be determined for MFS customers on the same basis as is the case for Pacific's customers. There are no third party beneficiaries to this agreement with respect to the commitments made on behalf of PBD herein.

Pacific will work cooperatively with MFS to ensure that Yellow Page advertisements purchased by customers who switch their service to MFS (including customers utilizing MFS-assigned telephone numbers and MFS customers utilizing SPNP) are maintained without interruption.

The services described in this sub-paragraph (1) will be provided without charge, provided Pacific's standard charges or tariff rates for white page or yellow page listings or advertising options not described in this sub-paragraph (1) shall apply for such services.

2. MFS will provide Pacific with its directory listings and daily updates to those listings in an industry-accepted format; Pacific will include MFS' customers in directory assistance databases associated with the areas in which MFS provides Exchange Services to such customers. Pacific will provide MFS with the proper format which MFS shall employ in submitting directory listings and daily updates.
3. MFS and Pacific will accord MFS' directory listing information the same level of confidentiality which Pacific accords its own directory listing information, and Pacific shall ensure that access to MFS'

customer proprietary confidential directory information will be limited solely to those Pacific employees who are directly involved in the preparation of listings.

G. Information Pages - Customer Guide Pages

Pacific will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by MFS, listings provided by MFS for MFS' installation, repair and customer service and other service oriented information including appropriate identifying logo. Such listings shall appear in the manner and likeness as such information appears for Pacific and other LECs or CLCs. Reasonable non-discriminatory charges per page (or fraction of a page; limit of no more than one full page in a directory) will apply for this service, as identified in Pacific's CPUC 175T tariff, Section 9.2.6. To the extent this service is required prior to effectiveness of an appropriate CLC rate, the rate currently listed for long distance company provision of similar information shall apply.

H. Information Services Billing and Collection

1. MFS shall deliver calls originated over MFS-provided Exchange Services to Pacific's information services platform (e.g., 978) by routing such traffic over the LISA trunks. MFS retains the right to block such calls.
2. For the calls identified in sub-paragraph H (1) above, MFS will provide an electronic file transfer or daily or monthly magnetic tape containing recorded call detail information to Pacific. Pacific will

provide on a per call basis the information providers' charge for each such call in the same manner as Pacific would rate the call for its own end users, and in the same manner that Pacific provides such rated information to other LECs. Pacific will return the rated calls to MFS via tape or electronic file transfer for billing to MFS' end user customers. MFS will bill and collect such end user charges, and remit the amounts collected to Pacific, less \$.05 per call. MFS will identify any end user customer adjustments (calls where end users deny responsibility) and Pacific will credit such adjustments.

VIII. LINK SERVICE ARRANGEMENTS

A. Description

Pacific shall, effective April 1, 1996, provide Basic Links to MFS. Pacific shall make the following quantities available to MFS, irrespective of any other carrier's demand: for the month of April, 1000 Basic Links; for the month of May, 1500 Basic Links; for the month of June, 2000 Basic Links; for the month of July, 3000 Basic Links; and for the month of August, 5000 Basic Links. Beginning September, 1996 Links can be ordered through Pacific's mechanized ordering process and the only quantity limitation is that no more than 30,000 Links can be provided to MFS during calendar year 1996. ISDN Links will be available beginning October 1, 1996. Testing of Basic Links and Basic Link ordering procedures will begin February 21, 1996 to the extent those ordering procedures are available.

1. Links may be interconnected to collocated transport facilities maintained or designated by MFS via an EISCC service.
2. The installation, maintenance, and repair intervals for Links will be comparable to the current installation, maintenance, and repair intervals offered on Pacific's local exchange services in the applicable geographic area, and shall be guided by the following guidelines. Pacific will provide MFS with cable and pair information on the MPOE at the customer's premise sufficient to allow MFS to connect to customer premise wiring. A Business Basic Link can be provisioned within the same period of time Pacific provisions its 1MB service requiring field work (wiring), plus one day; 1MB service is normally provisioned within 3-5 days. For a Residence Basic Link, the interval shall be the same applicable to 1FR service requiring field work (wiring), within the applicable geographic area, plus one day. For project type work (e.g., 100 lines at the same location), provisioning intervals can be substantially greater (e.g., 12 days) than those that apply to 1MB service. Unless otherwise agreed, provisioning will occur during normal business hours, and work requested by MFS out of normal business hours will result in additional charges, as specified in Pacific's CPUC Tariff 175-T, Section 13.2.6 (A). In addition, coordination on Link installation shall be performed in the following manner.

- a) The non-recurring charge for Basic Links includes all charges for order entry, installation, and cross-connection to the MFS EIS;
- b) The following coordination procedures apply only to Business Basic Links ordered in Zone 1: On each Link order in a wire center, MFS and Pacific will agree on a cutover time at least 48 hours before that cutover time. The cutover time will be defined as a 30 minute window within which both the MFS and Pacific personnel will make telephone contact to complete the cutover.

Within the appointed 30 minute cutover time, the MFS person will call the Pacific person designated to perform cross-connection work and when the Pacific person is reached in that interval such work will be promptly performed. If the MFS person fails to call or is not ready within the appointed interval and if MFS had not called to reschedule the work at least 2 hours prior to the start of the interval, Pacific and MFS will reschedule the work order and MFS will pay the non-recurring charge for the Link or Links scheduled for the missed appointment. In addition, non-recurring charges for the rescheduled appointment will

apply. If the Pacific person is not available or not ready at any time during the 30 minute interval, MFS and Pacific will reschedule and Pacific will waive the non-recurring charge for the Link or Links scheduled for that interval. The standard time expected from disconnection of service on a line to the connection of the Link to the MFS EIS is 5 minutes. If Pacific causes a line to be out of service due solely to its failure for more than 15 minutes, Pacific will waive the non-recurring charge for that Link. If unusual or unexpected circumstances prolong or extend the time required to accomplish the coordinated cut-over, the Party responsible for such circumstances is responsible for the reasonable labor charges of the other Party. Delays caused by the customer are the responsibility of MFS. In addition, if MFS has ordered DNCF as part of the Link installation, Pacific will coordinate implementation of DNCF with the Link installation; provided, separate DNCF installation charges will apply.

- c. For Business Links in Zones 2 and 3, and all Residence Links in Zones 1, 2, and 3, Pacific's intrastate CPUC 175-T, Section 13.2.6 (C) rates and terms will apply for service coordination.

- d. If the Commission has established rates and service terms in its OANAD proceeding for installation and coordination of Basic Links by January 1, 1997, then those non-recurring rates and service terms shall be applied in lieu of the non-recurring rates and service terms specified in this section VIII.A.2. If the Commission has not established such rates and service terms by January 1, 1997, the non-recurring rates and service terms in this section VIII.A.2 shall continue to apply until the Commission establishes different non-recurring rates and service terms.
3. In the case of service to existing Pacific customers that are becoming MFS customers for which MFS is using Pacific's Link service, MFS can submit a single order disconnecting the existing service (so long as a customer agency letter is provided), ordering of the Link, and request for DNCF, all through Pacific's CESAR ordering system. Separate internal processes within Pacific will apply to the disconnect of existing service, establishment of the Link, and completion of DNCF order.
4. Pacific will bill all Links purchased by MFS (either directly or by previous assignment by a customer) on two consolidated statements in the following manner. Links will be listed by a circuit identification number on the bill, along with a wire center identification and customer premise street address. The bill will

issue on a "bill round" once each month and MFS will be permitted to select one of three bill rounds. MFS will have to establish separate billing accounts for Southern and Northern California.

5. Pacific will permit MFS to collocate facilities on the same basis that such facilities are placed today under Pacific's EIS tariffs.
6. Beginning September 1, 1996, Pacific will provide MFS with an appropriate on-line electronic interface by which MFS may place, verify and receive confirmation of orders for Links, and issue and track trouble-ticket and repair requests associated with Links.

B. Compensation

Pacific shall charge non-recurring and a monthly recurring rate as set forth below for each Link and EISCC, plus applicable multiplexing, if requested. MFS shall cooperate with Pacific in obtaining a waiver at the FCC for the interstate EUCL and CCL such that it can be charged directly to MFS.

BASIC LINKS

- Recurring Rates:

EISCC recurring monthly charge, \$1.31

Basic Link (including EUCL and CCL):

Business

Zone 1	Zone 2	Zone 3
\$12.50	\$14.50	\$19.50

Residence

Zone 1	Zone 2	Zone 3
\$13.90	\$17.00	\$21.40

Business Link Zones are defined as shown in Attachment A; Residence Link Zones are defined as shown in Attachment B

- Non-recurring rates:

Business Links Zone 1: Combined non-recurring charge for each Basic Link and a corresponding EISCC: \$70.75. This non-recurring charge covers all work required to establish a working Business Basic Link, including acceptance of the Link order, processing the order, and cross-connecting the Link to the EIS.

Business Basic Links Zones 2 and 3 and Residence Basic Links Zones 1, 2, and 3: \$200 for the first Basic Link, plus \$110 for each additional Basic

Link that is contained on the same order with the same cut-over date for connection at the same end user MPOE.

ISDN LINKS:

• Recurring Rates:

EISCC recurring monthly charge, \$1.31

ISDN Link (including EUCL and CCL):

Business

Zone 1	Zone 2	Zone 3
\$18.75	\$21.75	\$29.25

Residence: Rates and availability to be determined in the Commission's OANAD proceeding (R. 93-04-003).

• Non-recurring rates:

For both Business and Residence ISDN:

Combined non-recurring charge for each Basic Link and a corresponding EISCC: to be established in the OANAD proceedings and until such charge is established in that proceeding it will be determined on an individual case basis.

IX. SERVICE PROVIDER NUMBER PORTABILITY ARRANGEMENTS

A. Description

Pacific and MFS will provide Service Provider Number Portability ("SPNP") on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one Party, in conjunction with an Exchange Service provided by the other Party, upon the coordinated or simultaneous termination of the first Exchange Service and activation of the second Exchange Service.

1. MFS and Pacific will provide reciprocal SPNP immediately upon execution of this agreement via DNCF. DNCF shall operate as follows:

a. A customer of Party A elects to become a customer of Party B. The customer elects to utilize the original telephone number(s) corresponding to the Exchange Service(s) it previously received from Party A, in conjunction with the Exchange Service(s) it will now receive from Party B. Upon receipt of a signed letter of agency from the customer (and an associated service order) assigning the number to Party B, Party A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded on a multiple-path basis (if requested) to (a) new telephone number(s) designated by Party B. Party A will route the forwarded traffic to Party B over the LISA or JANE trunks as if the call was a call which had originated on Party A's network.

b. Party B will become the customer of record for the original Party A telephone numbers subject to the DNCF

arrangements. Party A will provide Party B a single consolidated master billing statement for all collect and billed to 3rd-number calls associated with those numbers, with sub-account detail by retained number. Such billing statement shall be delivered in an agreed upon format via either electronic file transfer, daily magnetic tape, or monthly magnetic tape.

- c. Party A may cancel line-based calling cards and will, as directed by Party B, update its Line Information Database ("LIDB") listings for retained numbers associated with those forwarded numbers.
 - d. Within two (2) business days of receiving notification from the customer, Party B shall notify Party A of the customer's termination of service with Party B, and shall further notify Party A as to the Customer's instructions regarding its telephone number(s). Party A will reinstate service to the customer, cancel the DNCF arrangement, or redirect the DNCF arrangement pursuant to the customer's instructions at that time.
- 2. DNCF will not forward ISDN data calls.
 - 3. Pacific and MFS will migrate from DNCF to Permanent Number Portability as soon as practically possible, without interruption of service (to the degree possible) to their respective customers.

B. Compensation

MFS and Pacific shall provide DNCF arrangements to one another at a rate of \$3.25 per number per month, plus any otherwise applicable charges for authorized collect and billed-to-3rd-number billed calls billed to the retained numbers. Additionally, a per number non-recurring charge of \$31.75 shall apply; provided, however, either Party shall have the option of paying \$75 for the first DNCF ordered in each wire center, plus \$8 for each additional DNCF requested with the same order and in the same wire center. Each Party shall, by December 15, 1995, and by December 15 of each subsequent year, notify the other Party of its selection (or change of selection) of the non-recurring charge option for the following year. The selection shall remain in place for the entire subsequent year.

X. RESPONSIBILITIES OF THE PARTIES

- A. Pacific and MFS agree to treat each other fairly, non-discriminatorily, and equally for all items included in this Agreement, or related to the support of items included in this Agreement.
- B. MFS and Pacific will work cooperatively to minimize fraud associated with 3rd-number billed calls, calling card calls, or any other services related to this Agreement. The parties fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one party as compared to the other.

- C. MFS and Pacific agree to promptly exchange all necessary records for the proper billing of all traffic.
- D. MFS and Pacific will review engineering requirements on a quarterly basis and establish forecasts for trunk utilization, LISA/JANE trunks, MPB arrangements, E9-1-1, EISCC facility requirements, quantities of DDCF, Links and other services provided under this Agreement. Pacific and MFS will work together to begin providing these forecasts by December 15, 1995. New trunk groups will be implemented as dictated by engineering requirements for both Pacific and MFS. Pacific and MFS are required to provide each other the proper call information (e.g., originated call party number and destination call party number, etc.) to enable each company to bill in a complete and timely fashion.
- E. The Parties will cooperate by exchanging technical information in order to identify and explore potential solutions to enable MFS to establish unique Rate Centers, or to assign a single NXX code across multiple Rate Centers.
- F. MFS and Pacific will work jointly and cooperatively in developing and implementing common manual and/or electronic interfaces (including, for example, data elements, data format, and data transmission) from which to place service orders and trouble reports involving the provision of Links, DDCF, Directory Assistance, Directory Listings, E9-1-1, and other services included in this Agreement. To the extent reasonable, MFS and Pacific will utilize the standards established by industry fora, such as OBF. Specifically with respect to the data elements in the manual and/or electronic interface to Pacific's Directory Listings, Pacific agrees not to

require MFS to enter the exchange name associated with the telephone number assigned to MFS' customer. Where MFS does not supply the exchange name, Pacific will use the MFS customer's telephone number to determine the exchange name to be supplied to Pacific Bell Directory.

XI. TERM

Except as provided herein, MFS and Pacific agree to provide service to each other on the terms defined in this Agreement for a term of two years, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Either party may terminate this Agreement by providing written notice of termination to the other party, such written notice to be provided at least 60 days in advance of the date of termination; provided, no such termination shall be effective prior to January 1, 1997. In the event of such termination as described herein, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements shall continue without interruption under either a) a new agreement executed by the Parties, b) standard interconnection terms and conditions approved and made generally effective by the Commission, or c) tariff terms and conditions generally available to CLCs; provided, for service arrangements made available under this Agreement and existing at the time of termination, if the standard interconnection terms and conditions or tariff terms and conditions result in the non-terminating Party physically rearranging facilities or incurring programming expense, the non-terminating Party shall be entitled to recover such rearrangement or programming costs from the terminating Party. By mutual agreement, MFS and Pacific may amend this Agreement to extend the term of this Agreement. Also by mutual agreement, Pacific and MFS may jointly petition the appropriate

regulatory bodies for permission to have this Agreement supersede any future standardized agreements or rules such as regulators might adopt or approve.

Notwithstanding the foregoing, neither party may terminate this Agreement unless and to the extent that it is superseded by another agreement or until standard arrangements or general tariff terms and conditions generally available to CLCs are effective.

XI. INSTALLATION

Pacific and MFS shall effectuate all the terms of this agreement by January 1, 1996. By December 15, 1995, MFS and Pacific shall agree upon a detailed implementation plan to begin implementation of LISA and JANE facilities, MBP arrangements, E-911 trunking, and DNCF services. The parties intend that orders for these services will be placed beginning on December 20, 1995, and that such services would be fully operational (consistent with California law) by February 1, 1996. By January 16, 1996 Pacific and MFS shall agree upon a detailed implementation plan to begin implementation of Directory Assistance, Directory Listings, and the ordering, provisioning, and billing systems and processes associated with these systems.

XII. NETWORK MANAGEMENT AND SERVICE MAINTENANCE

MFS and Pacific will work cooperatively to install and maintain a reliable network. MFS and Pacific will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, etc.) to achieve this desired reliability.

MFS and Pacific will work cooperatively to apply sound network management principles by involving network management controls to alleviate or to prevent congestion.

MFS and Pacific will cooperatively plan and implement coordinated repair procedures to ensure customer trouble reports are resolved in a timely and appropriate manner.

XIII. FORCE MAJEURE

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

XIV. LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other in connection with the provision of use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits, regardless of the form of action, whether in contract, indemnity, warranty, strict liability, or tort, including (without limitation) negligence of any kind.

XV. ASSIGNMENT

This Agreement may not be assigned by either Party without 60 days advance written notice and the written consent of the other Party, provided neither Party shall unreasonably withhold such consent. However, no consent will be required in the event of assignment to an affiliate or subsidiary.

XVI. DEFAULT

If either Party default in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for thirty days after written notice thereof, the other Party may terminate this Agreement forthwith by written instrument. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment of its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

Notwithstanding the Limitation of Liabilities provision set forth above, the Parties agree that should Pacific under fill the Basic Link orders in a given month by the larger of (a) 500 Basic Links ordered by MFS or (b) 25% of the Basic Links ordered by MFS (provided that for the months April, May, June, July, and August, 1996 said ordered amount shall never be higher than the Link caps for those months), and such failure is due in no part to the actions or inactions of MFS, that this would give rise to damages which would be impractical or extremely difficult to determine. In such event, MFS shall give written notice to Pacific of the failure, and Pacific shall have 30 days after receipt of such notice to cure the defect by providing the number of Basic Links ordered by MFS, consistent with the monthly Link caps provided herein. If 30 days following such notice Pacific has failed to provide the number of Basic Links necessary to cure the defect, Pacific shall pay to MFS a daily liquidated damages amount of \$7,500 for each day that the amount necessary to cure the defect remains unfilled. Further accruals of this daily penalty shall terminate when either Party terminates the Agreement pursuant to Section XI.

XVII. NONDISCLOSURE

- A. All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication or directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.
- B. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
- C. Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for

performing the covenants contained in the Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the parties in writing.

D. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as:

- (i) was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
- (ii) is or becomes publicly known through no wrongful act of the receiving Party; or
- (iii) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
- (iv) is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
- (v) is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or

(vi) is approved for release by written authorization of the disclosing Party; or

(vii) is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

E. **Effective Date.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

XVIII. CANCELLATION

The Parties acknowledge that time is of the essence in implementing this Agreement. Therefore, if the Commission acts or fails to act so as to delay implementation of the Agreement by January 3, 1996, then either Party may provide written notice of an intent to cancel. Unless the Parties agree within 10 business days of such notice of intent on a revised plan of implementation, the notice shall become an effective cancellation and the Agreement shall be null and void without force and effect.

XIX. DISPUTE RESOLUTION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may

have in connection with this Agreement, prior to taking any action before any court or regulator, or before making any public statement or disclosing the nature of the dispute to any third Party, the Parties shall first confer to discuss the dispute and seek resolution. Such conference shall occur at least at the Vice President level for each Party. In the case of Pacific, its Vice President for Local Competition, or equivalent officer, shall participate in the meet and confer meeting, and MFS Vice President, Regulatory Affairs, or equivalent officer, shall participate.

XX. NOTICES

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

Pacific Bell
Marlin Ard, Dep. Gen. Counsel
140 New Montgomery St., 16th Floor
San Francisco, CA 94105

MFS Intelenet
Andrew D. Lipman, Senior Vice Pres., Legal/Regulatory Affairs
3000 K Street N. W., Suite 300
Washington DC 20007

Each Party shall inform the other of any changes in the above addresses.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

Lee Bauman

Vice President, Local Competition

Pacific Bell

Alex J. Harris

Vice President, Regulatory Affairs

MFS Intelenet of California, Inc.

ATTACHMENT A

BUSINESS ZONES

ATTACHMENT B

RESIDENCE ZONES

MFS COMMUNICATIONS COMPANY, INC.

WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-7
PAGE 40 of 67

January 26, 1996

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Advice Letter No. 17879A

**Supplemental Advice Letter Compliance Filing in Accordance With
Commission Resolution T-15824 (dated January 17, 1996)**

On November 20, 1995, Pacific submitted Advice Letter No. 17879 seeking approval of a Co-Carrier Agreement (Agreement) between Pacific Bell and MFS Intelnet of California, Inc (MFS). By Resolution T-15824 (January 17, 1996) the Advice Letter and Agreement were approved, subject to the parties adopting modifications to the Agreement as specified in the Resolution. Pacific was directed to file a supplemental advice letter indicating the parties acceptance of these modifications, which is being done with this filing. Attached is a Modification To Co-Carrier Interconnection agreement adopting the following changes, as directed in Resolution T-15824:

-The G.O. 96-A, Section X requirement that the contract is subject to modification by the Commission has been included.

-Rates in the contract are subject to adjustment to conform to rates established by the Commission in future decisions.

-Pacific will book NXX code opening costs into a memorandum account associated with opening codes for MFS under the PB/MFS contract. When the Commission establishes costs for NXX code openings and a recovery mechanism, Pacific should apply the costs and recovery mechanism to the memorandum account.

-Pacific will limit MFS to one code opening per NXX rating area until MFS can demonstrate in an advice letter that its utilization warrants additional NXX codes.

-Pacific will modify, if necessary, the loop rates in the contract such that the rates are no lower than TSLRIC based cost floors developed in the OANAD proceeding.

-Pacific will modify, if necessary, the interim number portability rates in the contract such that the rates are no lower than TSLRIC based cost floors developed in the OANAD proceeding.

-Pacific will remove the toll termination rates contained in the contract. Pacific may only offer toll termination through its switched access tariff to be consistent with D. 95-12-020.

PACIFIC BELL

-After the Commission reviews the appropriateness of the bill and keep policy and if the Commission determines a call termination rate, the termination rate in this Agreement will be subject to modification.

The revenue effects of the Agreement and Modification remain uncertain and Pacific is leaving unchanged its estimated revenue effect as set forth in the Advice Letter No. 17879.

In compliance with Section III.G of General Order No. 96-A, we are mailing a copy of the supplemental advice letter and Modifications To Co-Carrier Agreement to competing and adjacent Utilities and/or other Utilities, and interested parties. In addition, we are mailing copies to parties (lists attached) who filed testimony or comments in the Commission's Local Competition (R. 95-04-043), Universal Service (R.95-01-020) or CANAD (R. 93-04-003) proceedings.

This supplemental filing will not increase any existing rate or charge, cause the withdrawal of service nor conflict with any other schedules or rules.

In accordance with T-15824, Ordering Paragraph 3, Advice Letter No. 17879, this supplement, and the Agreement, as modified, shall become effective 5 days following the submission of this supplement to the Commission.

Yours truly,

PACIFIC BELL



Executive Director

Attachments

**MODIFICATION TO
PACIFIC BELL AND MFS INTELENET OF CALIFORNIA, INC
CO-CARRIER AGREEMENT**

JANUARY 26, 1996

WHEREAS, on November 17, 1995, Pacific Bell (Pacific) and MFS Intelenet of California, Inc. (MFS) entered into a Co-Carrier Agreement (Agreement) for the interchange of traffic between the two companies; and

WHEREAS, the Agreement was submitted for Commission approval with the filing of Pacific's Advice Letter No. 17879 on November 20, 1995; and

WHEREAS, in Commission Resolution T-15824, dated January 17, 1996, the Commission approved Advice Letter No. 17879 and the Agreement, subject to modifications specified in Resolution T-15824; and

WHEREAS, Pacific and MFS have agreed to accept the modifications and move forward with the Agreement;

NOW, THEREFORE, in consideration of the mutual provisions contained herein, as well as the provisions contained in the original Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pacific and MFS hereby covenant and agree to modify the Agreement as follows:

1. Section IV (A) of the Agreement (Numbering Resource Arrangements) shall be modified to read as follows:

A. Nothing in this Agreement shall be construed to in any manner limit or otherwise adversely impact either Party's right to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines (last published by the Industry Numbering Committee ("INC") as INC 95-0407-088, Revision 4/7/95, formerly ICCF 93-0729-010). Notwithstanding the foregoing in this sub-section (A), Pacific will limit MFS to one code opening per NXX rating area until MFS can demonstrate in an advice letter that its utilization warrants additional NXX codes.

2. Section IV (F) of the Agreement (Number Resource Arrangements) shall be modified to read as follows:

F. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide (LERG) guidelines to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities. Notwithstanding the foregoing in this sub-section (F), Pacific will book NXX code opening costs into a memorandum account associated with opening codes for MFS under this Agreement. When the Commission establishes costs for NXX code openings and a

recovery mechanism, Pacific shall apply the costs and recovery mechanism to the memorandum account.

3. Section VI (B) (1) (c) of the Agreement (Reciprocal Traffic Exchange Arrangement, Compensation, Toll rate) shall be modified to read as follows:

c. IntraLATA toll rate: Pacific's switched access tariff rate applicable to such toll, including all switched tandem rate elements when access is obtained through a tandem.

4. Section VI of the Agreement (Reciprocal Traffic Exchange Arrangement) shall be modified by adding a new sub-section (C) as follows:

C. Changes in Rates. Notwithstanding the foregoing provisions of this Section VI, after the Commission reviews the appropriateness of the bill and keep policy applicable to local calls and if the Commission determines a call termination rate for local calls, the local call termination rate in this Agreement will, upon further order of the Commission, be subject to modification if the Commission so orders such a modification.

5. Section VIII of the Agreement (Link Service Arrangements) shall be modified by adding a new sub-section (C) as follows:

C. Changes in Rates. Notwithstanding the foregoing link rates as set forth in this Section VIII, Pacific will modify, if necessary, the link rates in the Agreement such that the rates are no lower than TSLRIC based cost floors developed in the OANAD proceeding (R. 93-04-003). Unless otherwise ordered by the Commission or agreed by the parties,

such adjusted link rates shall be increased to TSLRIC, but no higher than TSLRIC.

6. Section IX (B) of the Agreement (Service Provider Number Portability Arrangements, Compensation) shall be modified to read as follows:

B. MFS and Pacific shall provide DNCF arrangements to one another at a rate of \$3.25 per number per month, plus any otherwise applicable charges for authorized collect and billed -to-3rd number billed calls billed to the retained numbers. Additionally, a per number non-recurring charge of \$31.75 shall apply; provided, however, either Party shall have the option of paying \$75 for the first DNCF ordered in each wire center, plus \$8 for each additional DNCF requested with the same order and in the same wire center. Each Party shall, by December 15, 1995, and by December 15 of each subsequent year, notify the other Party of its selection (or change in selection) of the non-recurring charge option for the following year. The selection shall remain in place for the entire subsequent year. Notwithstanding the foregoing in this sub-section (B), Pacific will modify, if necessary, the service provider interim number portability (DNCF) rates in the Agreement such that the rates are no lower than TSLRIC based cost floors developed in the OANAD proceeding (R. 93-04-003). Unless otherwise ordered by the Commission or agreed by the parties, such adjusted DNCF rates shall be increased to TSLRIC, but no higher than TSLRIC.

7. A new Section XXI is added to the Agreement, as follows:

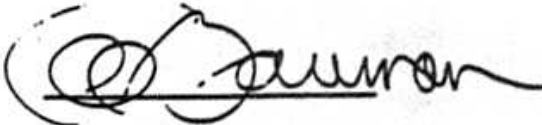
XXI. COMMISSION JURISDICTION

This Agreement shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction. In addition, rates in the Agreement are subject to adjustment by the Commission to conform to rates established by the Commission in future decisions.

8. Except as modified herein, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this MODIFICATION
TO PACIFIC BELL AND MFS INTELENET OF CALIFORNIA, INC. CO-CARRIER
AGREEMENT to be executed by their respective duly authorized
representatives.



LEE BAUMAN

VICE PRESIDENT, LOCAL COMPETITION

PACIFIC BELL



ERIC ARTMAN

DIRECTOR OF REGULATORY AFFAIRS, WESTERN REGION

MFS INTELENET OF CALIFORNIA, INC.

JAN. 26 - 1996

Dated

JAN 26 - 1996

Dated