

petition

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BY HAND

Honorable Janet Hand Deixler
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case No. 01-C-0095

Dear Secretary Deixler:

Enclosed please find the original and 25 copies of the Response of Verizon New York Inc. to AT&T's Petition for Reconsideration and Clarification in the above-referenced matter. Please date stamp and return the extra copy of this filing in the enclosed self-addressed UPS envelope. If you have any questions about this filing, please call me at (202) 778-2225.

Very truly yours,



Kimberly A. Newman

cc: Hon. William L. Bouteiller
Daniel M. Martin
Robert T. Mulig, Esq.
Harry Davidow, Esq.
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**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In re: Application of

**AT&T COMMUNICATIONS OF
NEW YORK, INC.**

TCG NEW YORK, INC.

ACC TELECOM CORP.

**Petition For Arbitration Of Interconnection
Terms and Conditions and Related
Arrangements with Verizon New York Inc.
Pursuant to Section 252(b) Of the
Telecommunications Act of 1996**

Case: 01-C-0095

**RESPONSE OF VERIZON NEW YORK INC. TO
AT&T'S PETITION FOR RECONSIDERATION AND CLARIFICATION**

In spite of the title it bears, the document filed by AT&T on August 29 constitutes nothing but a "Petition for Re-litigation." AT&T's so-called Petition for Reconsideration and Clarification ("Petition") neither asks the Commission for any form of genuine clarification, nor raises any new angle on an issue that the Commission did not consider, nor provides any new information or other grounds upon which AT&T should be entitled to have its case heard again. Rather, AT&T has submitted eighteen pages of the same arguments the Commission has already considered—and rejected. Accordingly, the Commission should deny all relief requested by AT&T in its Petition.

I. ALTERNATIVE DISPUTE RESOLUTION

AT&T purports to seek "clarification" of the Commission's decision on the elimination of § 17.1 of the existing ADR plan; upon review of its argument, however, one discovers that AT&T really wants the Commission to reverse its decision eliminating the installation of a single sitting arbitrator. The Commission resolved the Parties' dispute surrounding the applicable ADR provisions for inclusion in the contract by adopting an ADR plan similar to the existing plan. Verizon opposed such a result in its arbitration briefs. Nevertheless, Verizon did not seek reconsideration on this point because it had no additional information warranting such consideration. Neither does AT&T. That fact, however, has not stopped AT&T from making the exact same arguments that it made in its earlier briefs, providing no additional grounds for its request for reconsideration aside from the fact that it did not like one particular aspect of the outcome. The Commission should reject this blatant attempt at re-litigation of the issue.

As an initial matter, the Commission's Order needs no clarification on this point. The opinion of the Commission is clear:

From our review of the parties' proposals, we find that AT&T's preference for a single arbitrator under a retainer is not essential, and that such an approach can produce unwarranted expenses. The fact that the arbitrator retained for the first agreement was only used twice supports this decision. We are also concerned about such a provision in the agreement being adopted by other CLECs, as it would be impractical and costly for Verizon to secure and retain arbitrators potentially for each CLEC with an interconnection agreement.¹

AT&T's entire "clarification" position rests upon the unsubstantiated notion that the lack of a standing arbitrator will infringe upon AT&T's ability to get a speedy resolution to a given

¹ Order Resolving Arbitration Issues at 10 (July 30, 2001) ("Order").

dispute. Apparently AT&T places little faith in the expedited complaint procedures set forth by this Commission.

AT&T attempts to buttress its argument with statements having absolutely no basis in the record. On page 4 of its Petition, AT&T asserts that “the standard procedures for selecting an arbitrator under the [AAA Commercial Arbitration Rules] are protracted and often result in an exceedingly long selection process. It routinely takes six months to select an arbitrator” AT&T provides absolutely no basis for this statement, and certainly did not address this topic at any of the arbitration hearings earlier this year. Blatant, unreliable hearsay of this sort should not sway the Commission’s decision.

Rather than supporting its cause, this and other statements by AT&T in its Petition merely expose that AT&T’s proposals are nonsensical. Under all three of them, the Parties (particularly Verizon, when one factors in the fact that AT&T’s other desired terms were adopted) will spend an unnecessary amount of time and money. AT&T’s first proposed “clarification” really just asks the Commission to return to the status quo; this would mean paying out a retainer fee for an arbitrator who may hear one or two cases over the life of the agreement, or perhaps may not do a single thing. Under the second “clarification,” AT&T proposes a “pool of five to seven arbitrators that have been pre-selected and pre-approved by the parties.”² This approach may also require retainer fees to be paid gratuitously in advance. In addition, AT&T proposes that the Commission “should intervene in the event the Commission determines that disputes are not being efficiently and expeditiously resolved.”³ AT&T provides

² AT&T Petition at 5.

³ *Id.* Verizon wonders, however, whether arbitrators acceptable at the inception of an agreement may still be acceptable several years down the road. Any number of factors (subsequent decisions, publications, etc.) might
(continued...)

absolutely no standard to guide the Commission as to how it could intervene; moreover, this proposal imposes an additional adjudicative burden upon the Commission—it might as well just hear all the cases itself in lieu of using ADR. As its third “clarification” option, AT&T proposes that a Commission Staff member be on call to attend to any disputes AT&T and Verizon may have; again, this encompasses an entirely new set of responsibilities for the Commission, responsibilities it likely was not anticipating to have in relation to the Verizon/AT&T ADR procedures. Not only do AT&T’s three proposals invite more litigation—the exact opposite of what ADR is supposed to achieve—but AT&T also provides no evidence on how any of these procedures would help the Parties avoid costs.⁴

The Commission should also ignore AT&T’s claims that it could not get an expedited hearing for a particularly urgent dispute. As mentioned above, the Public Service Commission’s expedited dispute resolution process can *always* be invoked by any regulated company including AT&T. Indeed, Verizon advanced this very position in its Initial Arbitration Brief. Combining the Commission’s Order with the processes already in place more than adequately addresses all the ADR needs the Parties might have. The Commission should reaffirm its decision to do away with a standing arbitrator, and should ignore the time- and cost-intensive, inefficient, and potentially controversial alternate proposals raised by AT&T as well.

lead either Party to conclude that an arbitrator was no longer in a position to hear the case in an impartial manner. It is for that reason that the AAA rules prescribe a selection process.

⁴ The process is known as “alternative dispute resolution” because it provides the parties an *alternative forum* in which to air their grievances from their normal forum of recourse, which in this case would be the Commission. Two of the three AT&T proposals, however, would just steer the process straight back to the Commission.

II. RESTRICTIONS ON UNBUNDLING

As with the ADR issue addressed above, AT&T again attempts to gain “clarification” by asking the Commission to reach the exact opposite of the decision it announced on July 30. The Commission correctly adopted Verizon’s proposed limitations upon the provision of unbundled network elements (“UNEs”) in § 11.7 of the Agreement. This decision is supported by the fact that (1) AT&T failed to state any position on the issue whatsoever, and (2) Verizon’s proposal is consistent with applicable law. For both reasons the Commission should reject AT&T’s excessively tardy arguments on § 11.7.

First, AT&T clearly waived its right to state a position. On page 224 of its Second Arbitration Brief, Verizon discussed the issue entitled, “Should the ICA include Verizon NY’s proposed Section 11.7 Limitations on Unbundled Access? (VZ § 11.7).” Verizon further identified the exact contract sections at issue: 11.7.5, 11.7.6, and 11.7.7.⁵ *Had AT&T truly intended to address this issue, it should have responded to this argument.* Yet in its Reply Brief dated June 6, AT&T fails to even recognize Verizon’s argument on the matter. This constitutes waiver, and overrides any argument AT&T may forward at this point. Indeed, AT&T’s attempted explanation of this glaring defect does not even withstand cursory scrutiny:

AT&T did not address or oppose Section 11.7 because Verizon’s basic position was that terms of use for UNE should be incorporated in Verizon’s 916 tariff, not in the individual interconnection agreement between AT&T and Verizon. Accordingly, there was no reason for AT&T to directly address Section 11.7, since any terms such as those proposed in Section 11.7 would necessarily be placed in a generally available tariff

⁵ Verizon Second Arbitration Brief at 224-226.

This reasoning fails for several reasons. AT&T devoted an extensive portion of its Second Arbitration Brief (filed May 25) to attacking Verizon's proposal for incorporating tariffs by reference. As one of the primary issues in this arbitration, AT&T should have addressed every perceived inconsistency and weakness in Verizon's position. AT&T, however, never raised the question of how § 11.7 would interact with the rest of Verizon's tariff incorporation proposal, even though Verizon identified § 11.7 as a separate issue to be addressed in its proposed joint table of contents.⁶

Even if AT&T could somehow overcome the fact that it waived its right to any argument on this particular issue, the Commission concluded that Verizon's position was sound on the merits as well:

*AT&T does not address this issue in its briefs, so it is not clear why it proposes to exclude the limitation; nor can we think of a reason to do so. Access to UNEs is intended for the provision of telecommunications service, and Verizon may reflect this in the new agreement.*⁷

The § 11.7 language that the Commission adopted clearly implements the restrictions set forth in § 251(c)(3) of the Act: "The duty to provide, to any requesting telecommunications carrier *for the provision of a telecommunications service*, nondiscriminatory access to network elements on an unbundled basis" (emphasis added). AT&T has identified no reason why the Commission's decision should be revisited, and indeed the Commission has stated that it cannot think of any reason not to accept Verizon's proposals. Accordingly, the Commission's ruling regarding § 11.7 should stand.

⁶ See Verizon Proposed Joint Table of Contents ¶ 54 (sent to the ALJ on May 17, 2001). Although the ALJ was unable to obtain mutual agreement on a table of contents for use by the Parties, he ordered AT&T to address every issue identified in Verizon's table of contents where AT&T did not address the same issue.

⁷ Order at 74 (emphasis added).

III. CALL FLOW DIAGRAMS

AT&T's reading of the Commission's call flow ruling strains the limits of the English language. The Commission could not have written a clearer directive:

The Commission finds that the 24 call flow diagrams AT&T wants to include in the new agreement should be contained in it to serve *as descriptive aids* for the types of calls they address. *The 24 diagrams are not to be considered determinative of all possible calling scenarios* between AT&T and Verizon. They represent only some call flows, and as such, *they are not intended to control for any pricing purposes.*⁸

In light of this language, AT&T's claim that the "Commission clearly intended that the parties would . . . use the diagrams as the primary means of determining the applicable charges"⁹ escapes logic. The Commission's ruling speaks for itself, and should remain unchanged.

The Commission had before it three proposed routes to take in deciding the issue: (1) accept the call flows as the sole basis for pricing calls between the Parties (AT&T's proposal); (2) remove all call flow charts from the contract (Verizon's main proposal); and (3) keep the charts, but only for illustrative purposes (Verizon's alternate proposal). An examination of the pleadings indicates that the Commission adopted the third approach, as set forth in Verizon's Second Arbitration Brief:

In the event, however, that the Commission concludes that the call flow charts should be included in the contract or pricing schedule, those charts should serve no purpose other than to illustrate the manner in which calls are provisioned.¹⁰

⁸ Order at 44 (emphasis added).

⁹ AT&T Petition at 11.

¹⁰ Verizon's Second Arbitration Brief at 74.

A comparison of this alternate proposal with the language of the final Order confirms that the Commission did not intend the meaning which AT&T now advocates. Moreover, utilizing the call flow diagrams for anything other than a purely illustrative, descriptive diagram would contradict the Commission's ruling that the Verizon tariffs are the primary means of determining applicable charges. There is simply no basis for AT&T to claim that "descriptive aids" that "are not intended to control for any pricing purposes"¹¹ should now become "the primary means of determining the applicable charges" and create a "clear and convincing presumption."

Implementing this preposterous reading would unfairly prejudice Verizon, because Verizon disputes many aspects of AT&T's most recently proposed call flow diagrams. Customer usage detail provides one example. AT&T describes on some, but not all, of the call flow diagrams when a customer usage detail record is generated and a charge is applied. Though this notation is not necessary in the context of describing unbundled local usage charges, if the notation is included it should be consistent and correct across all call flow diagrams. By omitting reference to customer usage detail on some calls (intentionally or unintentionally), AT&T could argue that it did not want the record in a particular scenario as evidenced by the call flow diagrams. Doing so would change the terms of the customer usage detail section of the contract that the Parties negotiated and arbitrated in this proceeding. Under the Commission's ruling, the final language will result in Verizon creating call usage detail records for AT&T from switch records that Verizon creates for itself; Verizon will not customize the call usage detail records it sends out based on AT&T's call flow diagrams. In other words, elimination of the call usage detail would create an entirely new product and undermine the Commission's decision that

¹¹ Order at 44.

“Verizon need not provide AT&T any more data than Verizon normally obtains and provides itself and other carriers.”¹²

In fact, AT&T is already trying to give the diagrams a greater purpose than illustrations of pricing. Most of the diagrams have a block titled “Routing,” which describes whether a depicted call is routed directly or through an end office. In its latest post-Order proposal, AT&T has now changed the *Call Routing* description on several diagrams to “80% Direct + 20% Tandem” by virtue of the Commission decision on how the shared transport composite *rate* is calculated. Though this approach does not seem significant at first glance, AT&T has argued in the past that call flow diagrams in the old contract determine routing as well as rating (*e.g.* the IntraLATA PIC routing dispute). By changing the routing block to a specific percentage, AT&T could conceivably argue one day that Verizon must route 80% of its end user calls direct and 20% through a tandem. In other words, AT&T could attempt to dictate Verizon’s network engineering principles by modifying the diagrams to suggest that the PSC-determined shared transport rate calculation now determines routing. This is a blatant attempt by AT&T to overstate the Commission’s shared transport ruling, and is indicative of the myriad problems that will surely arise should the call flow diagrams be given any determinative value with regard to price. By affirming its initial ruling, the Commission will nip this problem in the bud.¹³

¹² Order at 36.

¹³ It is for this very reason that Verizon argued for elimination of call flow diagrams altogether. In the Parties’ post-Order negotiations, AT&T has provided revised call flow diagrams for inclusion in the contract that reflect their interpretation of the Order; these diagrams, however, have not been fully vetted by both Parties. Indeed, AT&T has provided Verizon several iterations of call flow diagrams in negotiations and arbitration, each time containing unexpected differences (including typos, theoretical differences, added descriptions) from previous versions. If Verizon is forced to accept the last set that AT&T has proposed in negotiations as the set Verizon has to rebut, AT&T would be subjecting Verizon to a game of musical chairs. Surely this is not the result the Commission envisioned.

Not only does AT&T seek “clarification” of a decision that needs none, it advances a result already rejected by this Commission when it held that the call flow diagrams should be used as “descriptive aids.” First, AT&T proposes that the “24 call flow diagrams create a clear and convincing presumption as to which elements and element rates apply”¹⁴ “It would then be the obligation of the adverse party to rebut the presumption that the AT&T call flow diagram determines the application of element rates”¹⁵ Second, AT&T states in footnote 4 of its Petition that “AT&T’s 24 call flow diagrams will, by virtue of their adoption by the Commission, necessarily be deemed more persuasive evidence than any contradictory diagram or diagrams from Verizon’s website.” This result was rejected by the Commission. Not only is AT&T trying to put words in the Commission’s mouth, but those words are saying the exact opposite of what the Commission already ordered.

AT&T, displeased with the result of the Order, is now making up new concepts that it had the opportunity to raise in its Briefs, but did not raise. Aside from contradicting a crystal clear order of the Commission, moreover, AT&T’s proposal only opens the door for protracted litigation down the road.¹⁶ AT&T has at its disposal a billing dispute mechanism (Section 28.9)

¹⁴ AT&T Petition at 12.

¹⁵ *Id.* at 13.

¹⁶ This statement is emphasized by the fact that Verizon disagrees with AT&T’s post-Order call flow diagrams on numerous points, including but not limited to, the following: 1) Diagrams 1, 4, 7, 8, 11B, 11C, 12A, 12BB, 12CC, 12DD, 15NY, 17A, 18A, 18B, 18BB, 19A, 19B, 21A, 21B, 30, 33, 34, 35, and 39, - AT&T’s description of call usage detail records should be either eliminated or clarified and made consistent across all call flow diagram; 2) Diagrams 2, 8, 11B, 12BB, 18A, 18B, 19B, 30, 33, 34, 35, and 39 contain typographical errors on the diagram labels; 3) Diagrams 2, 8, 17A - descriptions referring to “no termination charges” should be clarified to state that no unbundled local usage charges apply; 4) Diagrams 4, 7, 8, 15NY, 17A, 18A - Call Routing description must not contain or imply shared transport composite rate percentages (as discussed above). It should state that the call is being routed either directly or via a Verizon tandem; 5) Diagrams 11B, 11C, 18B, 18BB - AT&T apparently reversed its position, to which the Parties agreed and did not raise for arbitration that it is responsible for billing third party carriers for calls originating from a CLEC switch; 6) Diagrams 12A, 12BB, 12CC, 12DD, 19A, 19B, 21A, 21B incorrectly designate the PIC and LPIC and attempts to turn these illustrative rate diagrams to routing diagrams; 7) Diagrams 12CC, 12DD, 21A, 21B - AT&T attempts to change Verizon’s billing elements from “ULSC” and
(continued...)

available to it in the Interconnection Agreement the Parties are negotiating. This section, along with AT&T's active participation in tariff proceedings, provides AT&T ample opportunity to voice its concerns with Verizon's rates and their application. Verizon put on evidence as to why call flows must be illustrative only. The Commission agreed. The Commission issued a rational, totally coherent ruling on this topic, and it should be affirmed.

IV. THIRD-PARTY INDEMNIFICATION

Although AT&T actually acknowledges that it seeks reconsideration (rather than "clarification") with regard to third-party indemnification, it fails to state any grounds for that reconsideration other than the arguments the Commission has already heard and rejected. As its principal argument, AT&T states that "[i]t is not commercially reasonable to require AT&T to implement boilerplate third-party liability provisions in AT&T's thousands of individual customer contracts, many of which will be separately negotiated by AT&T with sophisticated and demanding customers."¹⁷ This is exactly the same argument made by AT&T on pages 42-46 of its Initial Brief. AT&T's proposal to limit indemnity provisions to those in the Parties' tariffs is another tried-and-failed argument.¹⁸ Aside from the fact that the Commission rejected this idea already, it also fails in that it does not provide any protection for Verizon in the event of lawsuits by parties with whom Verizon has no privity of contract. Indeed, such a provision would only shield Verizon from claims by AT&T customers who purchased out of AT&T's

"USTPC" to "UNRCC"; 8) Diagram titled "Local 800 Calls" should either not be included or should not suggest that "Verizon shall promptly negotiate appropriate call flow diagrams . . ." as this requirement is beyond the scope of the PSC's Order.

¹⁷ AT&T Petition at 15.

¹⁸ *Id.*

tariffs, but would do nothing with regard to customers purchasing out of a separate contract with AT&T. The Commission issued a well-reasoned opinion on this issue and provided each Party with the necessary protection from unwarranted liability; AT&T has supplied no reason to disturb the ruling.¹⁹

V. RATES AT&T MAY CHARGE

Finally, AT&T seeks reconsideration for the Commission's decision that AT&T should not be able to charge Verizon higher rates than Verizon charges AT&T for a given service, absent a showing of special circumstances. Again, AT&T advances no argument that the Commission has not previously seen and rejected. While insisting that AT&T's rates should be set only by Commission action, AT&T ignores the fact that its rates (like those of all CLECs) do not face the same scrutiny as Verizon's do. Hence, a rate charged by Verizon may be presumed reasonable. If AT&T believes that its circumstances warrant different prices, it should bear the burden of demonstrating with particularity exactly why it should be able to charge a higher rate. As the Commission found, such linkage of rates "is premised on the established practices [the Commission] employ[s]," and "[a]bsent a cost study and Commission approval of a higher rate, the default rates are those contained in Verizon's tariff."²⁰

Furthermore, the Commission's decision on this issue relates closely with its decision regarding network architecture. The Commission has already ruled that Verizon is financially responsible for delivering its originating traffic to AT&T's switches, but that AT&T has no

¹⁹ Contrary to its claims, AT&T would in fact have another alternative in negotiating with these "sophisticated and demanding customers:" In lieu of placing such a restriction in its contract with the sophisticated customer, AT&T could simply indemnify Verizon for all claims based on negligence.

²⁰ Order at 86.

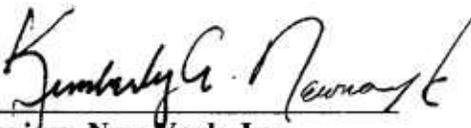
obligation to allow Verizon to collocate Verizon's equipment at AT&T's premises, thus prohibiting Verizon from carrying the traffic over its own facilities. By thus basically requiring Verizon to purchase transport from AT&T, it is imperative that those rates remain stable and linked to a reliable barometer—Verizon's own Commission-scrutinized transport rates. Otherwise, allowing AT&T unilaterally to determine the transport rates Verizon must pay it—going through only the scant review normally given a CLEC tariff proposal—could easily lead to an arbitrage situation. Under the Commission's Order, Verizon may be faced with having no choice but to purchase transport from AT&T; in such a situation, there must be some external check upon the prices charged by AT&T.²¹

²¹ For this very reason AT&T's citation to *In re Sprint Communications Company L.P.*, Case 99-C-1389 (Jan 28, 2000), should be ignored. AT&T has made great inroads into the competitive local exchange market in New York, and should not be able to hold Verizon captive to whatever rates it feels like charging. *In re Sprint*, by contrast, involved a situation where "Bell Atlantic-New York and Sprint [did] not currently have any interconnection facilities in place." *Id.* at n.12.

CONCLUSION

For the above-stated reasons, Verizon New York Inc. respectfully urges the Commission to deny all relief asked for by AT&T in its Petition for Reconsideration and Clarification.

Respectfully submitted,



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Dated: New York, New York
September 18, 2001

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In re: Application of)	
)	
AT&T COMMUNICATIONS OF)	
NEW YORK, INC.)	
TCG NEW YORK, INC.)	
ACC TELECOM CORP.)	
Petition For Arbitration Of Interconnection)	Case: 01-C-0095
Terms and Conditions and Related)	
Arrangements with Verizon New York Inc.)	
Pursuant to Section 252(b) Of the)	
Telecommunications Act of 1996)	

CERTIFICATE OF SERVICE

I hereby certify that on September 18, 2001, I filed an original and twenty-five copies of the foregoing Response of Verizon New York Inc. to AT&T's Petition For Reconsideration and Clarification with the Secretary of the New York Public Service Commission at the following address:

Janet Hand Deixler
Secretary
New York State
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Copies were served on the parties listed below:

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Administrative Law Judge
Public Service Commission
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Empire State Plaza, 3rd Floor
Albany, NY 12223-1350

By Hand:

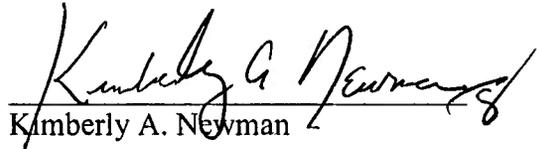
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Kimberly A. Newman

combine originating Reciprocal Compensation Traffic and IntraLATA Toll Traffic with Switched Exchange Access Service traffic on Feature Group D trunks. AT&T shall report to Verizon all factors necessary for proper billing of such combined traffic. Such reporting requirements are provided in 5.6 of this Agreement.

4.2.10 Under any of the architectures and methods of Interconnection described in this Section 4 and subject to mutual agreement between the Parties, either Party may utilize the Traffic Exchange Trunks for the termination of InterLATA Toll Traffic in accordance with the terms contained in Section 5 and pursuant to the other Party's Switched Exchange Access Service Tariffs. The other Party's Switched Exchange Access Service rates shall apply to such facilities.

4.3 Mid-Span Fiber Meets

4.3.1 In addition to the foregoing methods of Interconnection, and subject to mutual agreement of the Parties, the Parties may agree to establish a Mid-Span Fiber Meet arrangement in accordance with the terms of this Section 4.3 which may include a SONET backbone with either an electrical interface at the DS-3 level or an optical interface at the OC-n level in accordance with the terms of this Section. To the extent the Parties mutually agree to establish a Mid-Span Fiber Meet arrangement that utilizes a SONET backbone with an optical interface, the Fiber Distribution Frame at the AT&T location shall be designated as the POI for both Parties.

4.3.2 The establishment of any Mid-Span Fiber Meet arrangement is expressly conditioned upon the Parties' reaching prior agreement on routing, appropriate sizing and forecasting, equipment, ordering, provisioning, maintenance, repair, testing, augmentation, and compensation procedures and arrangements, reasonable distance limitations, the types of traffic carried via such Mid-Span Fiber Meet arrangement and on any other arrangements necessary to implement the Mid-Span Fiber Meet arrangement.

4.4 Interconnection in Additional LATAs

4.4.1 If AT&T determines to offer Telephone Exchange Services and to interconnect with Verizon in any LATA in which Verizon also offers Telephone Exchange Services and in which the Parties are not already interconnected pursuant to this Agreement, AT&T shall provide written notice to Verizon of the need to establish Interconnection in such LATA pursuant to this Agreement.

4.4.2 The notice provided in Section 4.4.1 shall include (a) the initial Rating Point(s) AT&T has designated in the new LATA; (b) the applicable AT&T-IPs to be established in the relevant LATA in accordance with this Agreement; (c) AT&T's intended Interconnection activation date and (d) a forecast of AT&T's trunking requirements conforming to Section 10.3. Within ten (10) business days of Verizon's receipt of AT&T's notice provided for in Section 4.4.1, Verizon and AT&T shall confirm the Verizon-IP(s), the AT&T-IP(s) and the Interconnection activation date for the new LATA.

4.4.3 The Interconnection activation date in a new LATA shall be mutually agreed to by the Parties after receipt by Verizon of all necessary information.

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

5.1 Scope of Traffic

Section 5 prescribes parameters for trunk groups (the "Traffic Exchange Trunks") used for Interconnection pursuant to Section 4 for the transmission and routing of Reciprocal Compensation Traffic, Transit Traffic, translated LEC IntraLATA 8YY Traffic, InterLATA Toll Traffic (to the extent applicable), and IntraLATA Toll Traffic between the Parties' respective Telephone Exchange Service Customers.

5.2 Trunk Group Connections and Ordering

5.2.1 Traffic Exchange Trunk group connections will be made at a DS-1 or DS-3 level. Higher speed connections shall be made, when and where available, in accordance with the Joint Implementation and Grooming Process prescribed in Section 10. When Traffic Exchange Trunks are provisioned using a DS-3 interface facility, AT&T shall order the multiplexed DS-3 facilities to the Verizon Central Office that is designated in the NECA 4 Tariff as an Intermediate Hub location, unless otherwise agreed to in writing by Verizon. Ancillary Traffic trunk groups may be made below a DS-1 level, as may be mutually agreed to by both Parties.

5.2.2 Each Party will identify its Carrier Identification Code, a three or four digit numeric obtained from Telecordia, to the other Party when ordering a trunk group.

5.2.3 Unless mutually agreed to by both Parties, each Party will send a Carrier Identification Code and outpulse ten (10) digits to the other Party.

5.2.4 Each Party will use commercially reasonable efforts to monitor its trunk groups and to augment those groups using generally accepted trunk engineering standards so as to not exceed blocking objectives. Each Party agrees to use modular trunk engineering techniques for trunks subject to this Agreement, with the exception of (a) E911/911 trunks; (b) BLV/BLVI trunks; and any other trunk types as mutually agreed to by the Parties.

5.3 Additional Switching System Hierarchy and Trunking Requirements

For purposes of routing AT&T traffic to Verizon, the subtending arrangements between Verizon Tandem Switches and Verizon End Office Switches shall be the same as the Tandem/End Office subtending arrangements Verizon maintains for the routing of its own or other carriers' traffic. For purposes of routing Verizon traffic to AT&T, the subtending arrangements between AT&T Tandem Switches (or functional equivalent) and AT&T End Office Switches (or functional equivalent) shall be the same as the

Tandem/End Office subtending arrangements (or functional equivalent) which AT&T maintains for the routing of its own or other carriers' traffic.

5.4 Signaling

Subject to the conditions set forth in Section 11.7, each Party will provide the other Party with access to its databases and associated signaling necessary for the routing and completion of the other Party's traffic in accordance with the provisions contained in Section 17 below.

5.5 Grades of Service

Each Party shall engineer and shall monitor and service all trunk groups under its control consistent with the Joint Implementation and Grooming Process as set forth in Section 10.

5.6 Measurement and Billing (excluding Meet Point Billing)

5.6.1 Terms and Conditions for Meet Point Billing are addressed in Section 6 only.

5.6.2 Except as otherwise provided in this Agreement, each Party will bill and record in accordance with this Agreement those charges the other Party incurs as a result of purchasing Network Elements, Combinations, Interconnection, Reciprocal Compensation charges, and Resold Services as set forth in this Agreement, as applicable. With respect to each bill rendered by Verizon to AT&T, such bill shall be consistent with (i) the terms of the agreement entered into by Verizon and others (including AT&T) on August 20, 1999 in settlement of *MCI Worldcom, Inc. and AT&T Corp. v. Bell Atlantic Corp.*, FCC File No. EAD-99-00003 ("Settlement Agreement"), as may be amended from time to time, and any collaborative proceedings or arbitrated decisions arising from that Settlement Agreement; and (ii) the provisions of the Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferee, Memorandum Opinion and Order, Appendix D, CC Docket no. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Conditions). Notwithstanding any other provision of this Agreement, if any provision contained in this Section 5.6. (and/or Schedule 5.6 of this Agreement) conflicts with any term or condition of the Merger Conditions or otherwise would require Verizon, prior to the time period contained in the Merger Conditions or in a manner inconsistent with the Merger Conditions, to implement any Verizon OSS process, interface, or business rule, including but not limited to the Change Management Process, or any Verizon OSS Services as those terms are defined in this Agreement, the term or condition contained in the Merger Conditions shall prevail. If any provision contained in this Section 5.6 (and/or Schedule 5.6 of this Agreement) and any provision of the Settlement Agreement as may be amended from time to time, and any collaborative proceedings or arbitrated decisions arising from that Settlement Agreement cannot be reasonably construed or interpreted to avoid conflict, the terms of the Settlement Agreement shall prevail. Conflicts among this Section 5.6 (and/or Schedule 5.6 of this Agreement), the Settlement Agreement, and the Merger Conditions shall be resolved in

accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Settlement Agreement; (b) the Merger Conditions; and (c) this Section 5.6 (and/or Schedule 5.6 of this Agreement).

5.6.3 Bills will be provided by each Party on a monthly basis and shall include: (a) all non-usage sensitive charges incurred for the period beginning with the current bill date and extending up to, but not including, the next bill date, (b) any known unbilled non-usage sensitive charges for prior periods, (c) unbilled usage sensitive charges for the period beginning with the last bill date and extending up to, but not including, the current bill date, (d) any known unbilled usage sensitive charges for prior periods, and (e) any known unbilled adjustments. Each bill shall set forth the quantity and description of each such Unbundled Network Element, Combination, Interconnection, Reciprocal Compensation Charges, or Resold Service.

5.6.4 The Bill Date, as defined in Schedule 5.6, must be present on each bill transmitted by the billing Party.

5.6.5 Each Party shall provide the other Party at no additional charge applicable contact numbers for the handling of any billing questions or problems that may arise during the implementation and performance of the terms and conditions of this Section and Schedule 5.6.

5.6.6 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on each call carried over the Traffic Exchange Trunks.

5.6.6.1 If the originating Party passes CPN on ninety percent (90%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic termination rates, intrastate Switched Exchange Access Service rates, intrastate/interstate Transit Traffic rates, or interstate Switched Exchange Access Service rates applicable to each minute of traffic, as provided in Exhibit A and applicable Tariffs, for which CPN is passed. For the remaining (up to ten percent (10%)) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at Reciprocal Compensation Traffic termination rates, intrastate Switched Exchange Access Service rates, intrastate/interstate Transit Traffic rates, or interstate Switched Exchange Access Service rates applicable to each minute of traffic, as provided in Exhibit A and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.

5.6.6.2 If the originating Party passes CPN on less than ninety percent (90%) of its calls, the receiving Party shall bill the higher of its intrastate Switched Exchange Access Service rates or its interstate Switched Exchange Access Service rates for that traffic except Internet Traffic passed without CPN which exceeds ten percent (10%), unless the Parties mutually agree that such other rates should apply to such traffic. For any remaining (up to ten percent (10%)) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at Reciprocal Compensation Traffic termination rates, intrastate Switched Exchange Access Service rates, intrastate/interstate Transit Traffic rates, or interstate Switched Exchange Access

Service rates applicable to each minute of traffic, as provided in Exhibit A and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.

5.6.7 At such time as a receiving Party has the capability, on an automated basis, to use such CPN information to classify traffic delivered by the other Party as either Reciprocal Compensation Traffic or Toll Traffic, such receiving Party shall bill the originating Party the Reciprocal Compensation Traffic termination rates, intrastate Switched Exchange Access Service rates, or interstate Switched Exchange Access Service rates applicable to each minute of Traffic for which CPN is passed, as provided in Exhibit A and applicable Tariffs. If the receiving Party lacks the capability to use CPN information to classify, on an automated basis, traffic delivered by the other Party as either Reciprocal Compensation Traffic or Toll Traffic, the originating Party will supply an auditable Percent Local Use ("PLU") and Percent Interstate Use ("PIU") factor on a quarterly basis, based on the previous three months' traffic, and applicable to the following three months. The PIU and PLU factors applicable upon the Effective Date are specified in Schedule 5.6.7. Such factors may be updated by the originating Party quarterly by written notification.

5.6.8 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 8YY) calls shall be in accordance with applicable tariffs.

5.7 Reciprocal Compensation Arrangements -- Section 251(b)(5)

5.7.1 Reciprocal Compensation arrangements address the transport and termination of Reciprocal Compensation Traffic over the terminating carrier's switch in accordance with Section 251 (b)(5) of the Act. Verizon's delivery of Reciprocal Compensation Traffic to AT&T that originates with a third party carrier is addressed in Section 7.2. Where AT&T delivers any traffic originating with a third party carrier to Verizon, except as may be set forth herein or subsequently agreed to by the Parties, AT&T shall pay Verizon the same amount that such third party carrier would have paid Verizon for termination of that traffic at the location the traffic is delivered to Verizon by AT&T. Compensation for the transport and termination of traffic not specifically addressed in this Section 5.7 shall be as provided elsewhere in this Agreement, or, if not so provided, as required by the Tariffs of the Party transporting and/or terminating the traffic.

5.7.2 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

5.7.3 The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic in a symmetrical manner at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and Section 20 or, if not set forth therein, in the applicable Tariff(s) of the terminating Party, as the case may be. These rates

are to be applied at the AT&T-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by AT&T. Except as expressly specified in this Agreement, no additional charges, including port or transport charges, shall apply for the termination of Reciprocal Compensation Traffic delivered to the Verizon-IP or the AT&T-IP by the other Party. When Reciprocal Compensation Traffic is terminated over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Reciprocal Compensation or Non-Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.

5.7.4 AT&T will pay Verizon for termination of Reciprocal Compensation Traffic in accordance with the charges detailed in Exhibit A to this Agreement. Verizon will charge the Tandem Office (Meet Point B) rate (including both transport and End Office termination) for Reciprocal Compensation Traffic AT&T delivers to Verizon at Verizon's Tandem. AT&T will pay Verizon for termination of Reciprocal Compensation Traffic at the End Office (Meet Point A) rate for Reciprocal Compensation Traffic AT&T delivers to Verizon at Verizon's End Office. AT&T will charge Verizon for the delivery of Reciprocal Compensation Traffic in accordance with the charges detailed in Exhibit A to this Agreement.

5.7.5 No Reciprocal Compensation shall apply to Internet Traffic. If the amount of traffic (excluding Toll Traffic) that Verizon delivers to AT&T exceeds twice the amount of traffic that AT&T delivers to Verizon as Reciprocal Compensation Traffic ("2:1 ratio"), then the amount of traffic that Verizon delivers to AT&T in excess of such 2:1 ratio shall be presumed to be Internet Traffic and shall not be subject to Reciprocal Compensation.

5.7.6 Notwithstanding any other provision in this Agreement, if the Commission, the FCC, or a court of competent jurisdiction, should issue or release an order, or if a federal or state legislative authority should enact a statute, that by its terms (a) expressly supercedes or modifies existing interconnection agreements and (b) specifies a rate or rate structure for reciprocal compensation, intercarrier compensation, or access charges, that is to apply to Internet Traffic, then the Parties shall promptly amend this Agreement to reflect the terms of such order or statute. If such order or statute does not expressly supercede or modify existing interconnection agreements, then Verizon, in its sole discretion, may elect either to continue the provisions set forth herein with regard to Internet Traffic, or to terminate such provisions with thirty (30) days advance written notice. In the event Verizon elects to exercise its termination right, then the Parties shall promptly amend this Agreement to reflect the terms of such order or statute, and any such amendment shall be retroactive to the effective date of the termination.

5.7.7 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this Section 5.7, but instead shall be treated as described or referenced below:

5.7.7.1 No Reciprocal Compensation shall apply to special access, private line, or any other traffic that is not switched by the terminating Party.

5.7.7.2 IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties' respective Customers in New York) shall be treated in accordance with an arrangement mutually agreed to by the Parties.

5.7.7.3 Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 6.3.

5.7.7.3.1 At such time that the Parties reach agreement upon a mutually acceptable settlement process, the originating Party will receive a credit for reciprocal compensation in those instances:

- (i) where IntraLATA 8YY Toll Traffic calls are translated by the originating Party prior to delivery by that Party of such traffic to the terminating Party, and
- (ii) where the terminating Party bills the originating Party Reciprocal Compensation in error for such IntraLATA 8YY Toll Traffic; and
- (iii) where the originating Party provides appropriate records to the terminating Party to substantiate each request for credit.

Subsequent to the Effective Date of this Agreement, the Parties shall negotiate a mutually acceptable settlement process for reciprocal compensation credits in accordance with this Section 5.7.7.3.1.

5.7.8 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that proper rates are being applied appropriately, provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner. Except as otherwise provided herein, audits shall be conducted pursuant to Section 28.10.

5.8 Customer Usage Detail

5.8.1 Verizon will provide Customer Usage Detail Information originating from AT&T customers using certain Verizon Network Elements or Verizon Telecommunications Services with no rounding of billable time on unrated usage to full

minutes. Customer Usage Detail Information generally includes, but is not limited to, the following categories of information where Verizon currently records such data in the ordinary course of its business: (i) completed calls, including 800 calls and alternately billed calls; (ii) calls to directory assistance; and (iii) calls to and completed by Operator Services where Verizon provides such service to an AT&T Customer.

5.8.2 These records shall be transmitted to the other Party daily, Monday through Friday, except holidays observed by either Party's data centers. These records shall be transmitted in EMI format via Connect:Direct, provided however that if AT&T and Verizon do not have Connect:Direct capabilities, such records shall be transmitted as the parties agree. Verizon and AT&T agree that they will retain, at each party's sole expense, copies of all EMI records transmitted to the other party for at least seven (7) calendar days after transmission to the other party.

5.8.3 Each Party will provide the other Party with EMI records formatted in accordance with EMI industry standard guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents.

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

6.1 Scope of Traffic

Section 6 prescribes parameters for certain trunks to be established over the Interconnections specified in Section 4 for the transmission and routing of traffic between AT&T Telephone Exchange Service Customers and Interexchange Carriers ("Access Toll Connecting Trunks"), in any case where AT&T elects to have its End Office Switch subtend a Verizon Tandem. This includes casually-dialed (10XXX and 101XXXX) traffic.

6.2 Trunk Group Architecture and Traffic Routing

6.2.1 AT&T shall establish Access Toll Connecting Trunks pursuant to applicable access tariffs by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic to and from AT&T's Customers.

6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow AT&T's Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to a Verizon access tandem.

6.2.3 Except as provided in Section 6.2.5, the Access Toll Connecting Trunks shall be two-way trunks. Such trunks shall connect the End Office AT&T utilizes to provide Telephone Exchange Service and Switched Exchange Access to its Customers in a given LATA to the Tandem Verizon utilizes to provide Exchange Access in such LATA.

6.2.4 If AT&T chooses to subtend a Verizon access Tandem, then AT&T's NPA/NXX must be assigned by AT&T to subtend the same Verizon access Tandem that a Verizon NPA/NXX serving the same Rate Center subtends as identified in the LERG.

6.2.5 The Untranslated 8YY Access Toll Connecting Trunks will be established by AT&T as a one-way trunk to enable AT&T to deliver untranslated 8YY traffic to Verizon's designated access Tandem in the LATA.

6.3 Meet Point Billing Arrangements

6.3.1 AT&T and Verizon will establish Meet-Point Billing ("MPB") arrangements in order to provide a common transport option to Switched Exchange Access Services Customers via a Verizon access Tandem Switch in accordance with the Meet-Point Billing guidelines contained in the OBF's MECAB and MECOD documents, except as modified herein, and Verizon's applicable Tariffs. The arrangements described in this Section 6 are intended to be used to provide Switched Exchange Access Service that originates and/or terminates on Telephone Exchange Service that is provided by either Party, where the transport component of the Switched Exchange Access Service is routed through a Tandem Switch that is provided by Verizon.

6.3.2 In each LATA, the Parties shall establish MPB arrangements between the applicable Rating Point/Verizon serving Wire Center combinations.

6.3.3 Interconnection for the MPB arrangement shall occur at the Verizon access tandems in the LATA, unless otherwise agreed to by the Parties.

6.3.4 AT&T and Verizon will use reasonable efforts, individually and collectively, to maintain provisions in their respective state access Tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor Tariff sufficient to reflect the MPB arrangements established pursuant to this Agreement.

6.3.5 In general, there are four alternative Meet-Point Billing arrangements possible, which are: Single Bill/Single Tariff, Multiple Bill/Single Tariff, Multiple Bill/Multiple Tariff and Single Bill/Multiple Tariff, as outlined in the OBF MECAB Guidelines. Each Party shall implement the Multiple Bill/Single Tariff or Multiple Bill/Multiple Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided Telecommunications Service provided by that Party. Alternatively, in former Bell Atlantic service areas, upon agreement of the Parties, each Party may use the New York State Access Pool on its behalf to implement Single Bill/Multiple Tariff or Single Bill/Single Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided telecommunications service provided by each Party.

6.3.6 The rate elements to be billed by each Party shall be as set forth in that Party's applicable Tariffs. The actual rate values for each Party's affected Switched Exchange Access Service rate element shall be the rates contained in that Party's own

effective federal and state access Tariffs, or other document that contains the terms under which that Party's access services are offered. The MPB billing percentages for each Routing Point/Verizon serving Wire Center combination shall be calculated in accordance with the formula set forth in Section 6.3.15.

6.3.7 Each Party shall provide the other Party with the billing name, billing address, and Carrier Identification Code ("CIC") of the IXC, and identification of the IXC's serving Wire Center in order to comply with the MPB notification process as outlined in the MECAB document via facsimile or such other media as the Parties may agree to.

6.3.8 Verizon shall provide AT&T with the Switched Access Detail Usage Data (EMI category 1101XX records) on magnetic tape or via such other media as the Parties may agree to, no later than ten (10) business days after the date the usage occurred.

6.3.9 AT&T shall provide Verizon with the Switched Access Summary Usage Data (EMI category 1150XX records) on magnetic tape or via such other media as the Parties may agree, no later than ten (10) business days after the date of its rendering of the bill to the relevant IXC, which bill shall be rendered no less frequently than monthly.

6.3.10 All usage data to be provided pursuant to Subsections 6.3.8 and 6.3.9 above shall be sent to the following addresses:

To AT&T:

300 North Point Parkway
FLOC217MO1
Alpharetta Georgia, 30005
ATTN: AC&R Access Bill

To Verizon:

New York Access Billing c/o ACM Inc.
941 River Road
Schenectady, NY 12306
ATTN: Mark Ferri
Facsimile: (518) 887-3299

Either Party may change its address for receiving usage data by notifying the other Party in writing pursuant to Section 28.12.

6.3.11 Each Party shall coordinate and exchange the billing account reference ("BAR") and billing account cross reference ("BACR") numbers or Operating Company Number ("OCN"), as appropriate, for the MPB arrangements described in this Section 6. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number, or if the OCN changes.

6.3.12 Each Party agrees to provide the other Party with notification of any errors it discovers in MPB data within 30 calendar days of the receipt of the original data. The other party shall attempt to correct the error and resubmit the data within ten (10) business days of the notification. In the event the errors cannot be corrected within such ten (10) business day period, the erroneous data will be considered lost. In the event of a loss of data, whether due to uncorrectable errors or otherwise, both Parties shall cooperate to reconstruct the lost data and, if such reconstruction is not possible, shall accept a reasonable estimate of the lost data based upon prior usage data.

6.3.13 Either Party may request a review or audit of the various components of access recording up to a maximum of two (2) audits per calendar year. All costs associated with each review and audit shall be borne by the requesting Party. Such review or audit shall be conducted subject to Section 28.10 of this Agreement and during regular business hours. A Party may conduct additional audits, at its expense, upon the other Party's consent, which consent shall not be unreasonably withheld.

6.3.14 Nothing contained in this Section 6.3 shall create any liability for damages, losses, claims, costs, injuries, expenses or other liabilities whatsoever on the part of either Party (other than as may be set forth in MECAB or in any applicable Tariff subject to the limitations on liability set forth in this agreement).

6.3.15 MPB will apply for all traffic bearing the 500, 900, toll free service access code (e.g., 800/888/877) (to the extent provided by an IXC) or any other non-geographic NPA which may be designated for such traffic in the future. In the event AT&T determines to offer Telephone Exchange Services in another LATA in New York in which Verizon operates an access Tandem Switch, Verizon shall permit and enable AT&T to subtend the Verizon access Tandem Switch(es) designated for the Verizon End Offices in the area where the AT&T Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Exchange Access Services are homed. The MPB billing percentages for each Routing Point/Verizon Serving Wire Center combination shall be calculated according to the following formula:

$$\begin{aligned} a / (a + b) &= \text{AT\&T Billing Percentage} \\ &\text{and} \\ b / (a + b) &= \text{Verizon Billing Percentage} \end{aligned}$$

where:

a = the airline mileage between the AT&T Routing Point and the actual point of interconnection for the MPB arrangement; and

b = the airline mileage between the Verizon serving Wire Center and the actual point of interconnection for the MPB arrangement.

6.3.16 AT&T shall inform Verizon of each LATA in which it intends to offer Telephone Exchange Services and its calculation of the billing percentages which should apply for such arrangement. Within ten (10) business days of AT&T's delivery of

notice to Verizon, Verizon and AT&T shall confirm the Routing Point/Verizon serving Wire Center combination and billing percentages.

6.4 Toll Free Service Access Code (e.g., 800/888/877) Traffic

The following terms shall apply when either Party delivers toll free service access code (e.g., 800/888/877)(8YY) calls to the other Party for completion. For the purposes of this Section 6, the terms "translated" and "untranslated" refer to those toll free service access code calls that have been queried ("translated") or have not been queried ("untranslated") to an 8YY database.

6.4.1 When AT&T delivers translated 8YY calls to Verizon for completion

(a) to an IXC, AT&T shall:

- (i) provide an appropriate MPB record in EMI format to Verizon for processing and Meet Point Billing in accordance with Section 6.3 above; and
- (ii) bill the IXC the appropriate AT&T query charge associated with the call.

(b) as an IntraLATA call to Verizon or another LEC that is a toll free service access code service provider in the LATA, AT&T shall:

- (i) provide an appropriate copy record in EMI format to the toll free service access code service provider; and
- (ii) assess to the toll free service access code service provider AT&T's Tariffed Feature Group D ("FGD") Switched Exchange Access or Reciprocal Compensation charges, as applicable, and the AT&T query charge; and
- (iii) Verizon shall assess applicable Tandem Transit Service charges and associated passthrough charges to AT&T in accordance with Section 7.2.

6.4.2 When Verizon delivers translated 8YY calls originated by Verizon's or another LEC's Customers to AT&T for completion

(a) when the queried call is a FGD Switched Exchange Access Service call handed off to AT&T, Verizon shall:

- (i) bill AT&T the appropriate Verizon query charge associated with the call as specified in Exhibit A; and

- (ii) bill AT&T Verizon's applicable Tariffed FGD Switched Exchange Access charges associated with the call.

(b) when Verizon performs the query and where the queried call is an IntraLATA call handed off to AT&T in its capacity as a toll free service access code service provider,

- (i) Verizon shall bill AT&T the Verizon query charge associated with the call as specified in Exhibit A; and
- (ii) Verizon shall provide an appropriate EMI record to AT&T; and
- (iii) Verizon shall bill AT&T Verizon's Tariffed FGD Switched Exchange Access or Reciprocal Compensation charges, as applicable.

6.4.3 When AT&T delivers untranslated 8YY calls originated by AT&T's Customers to Verizon for completion to an IXC, Verizon shall:

- (i) Verizon will query the call and route the call to the appropriate IXC; and
- (ii) Verizon shall provide an appropriate EMI record to AT&T to facilitate billing to the IXC; and
- (iii) Verizon shall bill the IXC the Verizon query charge associated with the call and any other applicable charges.

6.4.4 When the untranslated 800 call is an IntraLATA call routed to Verizon or another LEC that is a toll free service access code service provider in the LATA:

- (i) Verizon will query the call and route the call to the appropriate LEC toll free service access code service provider.
- (ii) Verizon shall provide an appropriate EMI record to AT&T to facilitate billing to the LEC toll free service access code service provider
- (iii) Verizon shall bill the LEC toll free service access code service provider the query charge associated with the call and any other applicable Verizon charges.

6.4.5 Verizon will not direct untranslated toll free service access code calls to AT&T.

7.0 TRANSPORT AND TERMINATION OF OTHER TYPES OF TRAFFIC

7.1 Information Services Traffic

For purposes of this Agreement, information services and Information Services Traffic refer to switched voice traffic, delivered to information service providers who offer recorded voice announcement information or open vocal discussion programs to the general public. Information Services Traffic does not include Internet Traffic. Information Services Traffic also does not include 555 traffic or similar traffic with AIN service interfaces, which traffic shall be subject to separate arrangements between the Parties.

The following provisions shall apply only to AT&T-originated Information Services Traffic directed to an information service platform connected to Verizon's network. At such time as AT&T connects information services platforms to its network, the Parties shall agree upon a comparable arrangement for Verizon-originated Information Services Traffic.

7.1.1 AT&T shall have the option to route Information Services Traffic that originates on its own network to the appropriate information services platform(s) connected to Verizon's network. In the event AT&T exercises such option, AT&T will establish dedicated Information Services Trunk(s) to the Verizon information services serving switch. Such Information Services Trunk(s) will be utilized to allow AT&T to route Information Service Traffic originated on its network to Verizon.

Where AT&T serves a Customer through the purchase of a Verizon unbundled Local Switching Element, Information Service Traffic from that Customer may be routed over Verizon information service trunks on a shared basis.

7.1.2 Nothing in this Agreement shall restrict, obviate, or otherwise affect either Party's rights or obligations, if any, under Applicable Law, to offer to its Telephone Exchange Service Customers the ability to block the completion of Information Services Traffic.

7.1.3 For fixed rated Information Services Traffic (i.e. 976 service in NY), AT&T shall bill and collect the information services provider charges as stated in Verizon's applicable retail Tariff, as may be amended from time to time, from its Customers. Verizon will bill AT&T for such charges less the Information Services Billing and Collection fee set forth in Exhibit A. AT&T shall pay Verizon such charges in full regardless of whether or not it collects charges for such calls from its own Customers. Upon request from Verizon, AT&T shall provide Verizon with recorded call information for specified Information Services Traffic calls which AT&T shall provide in unrated EMI format via electronic file transfer or other medium mutually agreed to by the Parties. Verizon shall pay AT&T the Customer Usage Detail charges specified in Exhibit A for such call information. This subsection shall apply to fixed rate Information Services Traffic regardless of whether AT&T serves its Customer utilizing its own switching facilities or through the provision by Verizon of unbundled Local Switching.

7.1.4 For variable rated Information Services Traffic (*e.g.*, NXX 550, 540, 976, 970, 940 as applicable), AT&T shall bill and collect information services provider charges from its Customers. The Parties shall exchange call detail information and handle adjustments, according to the terms set forth in Schedule 7.1.3. Prior to accessing the variable-rated services, AT&T shall complete acceptance testing of its billing process with Verizon. Verizon shall charge AT&T Customer Usage Detail rates as specified in Exhibit A.

7.1.5 Verizon shall accept no more than two (2) adjustments per originating end user line number from AT&T for Information Services Traffic originated by AT&T Customers. In order for Verizon to pass through uncollectibles and other Customer adjustments to the appropriate information services provider, AT&T shall provide to Verizon sufficient information regarding such such uncollectibles and other Customer adjustments.

7.2 Tandem Transit Traffic Service ("Transit Service")

7.2.1 Transit Service provides AT&T with the transport of Tandem Transit Traffic as provided below. Neither the originating nor terminating Customer is a Customer of Verizon.

7.2.2 Transit Traffic may be routed over the Traffic Exchange Trunks described in Sections 4 and 5. AT&T shall deliver each Transit Traffic call to Verizon with CCS and the appropriate Transactional Capabilities Application Part ("TCAP") message to facilitate full interoperability of those CLASS Features supported by Verizon and billing functions. In all cases, each Party shall follow the Exchange Message Interface ("EMI") standard and exchange records between the Parties.

7.2.3 AT&T shall exercise best efforts to enter into a reciprocal Telephone Exchange Service traffic arrangement (either via written agreement or mutual Tariffs) with any CLEC, ITC, CMRS carrier, or other LEC, to which Verizon terminates Telephone Exchange Service traffic (originated by AT&T) that transits a Verizon Tandem Office. Such arrangements shall provide for direct interconnection by AT&T with each such CLEC, ITC, CMRS carrier or other LEC, without the use of Verizon's Transit Service.

7.2.4 Except as set forth in this Section 7.2.4, Verizon will not provide Tandem Transit Traffic Service for Tandem Transit Traffic that exceeds one (1) DS1 level volume of calls to a particular CLEC, ITC, CMRS carrier or other LEC for any three (3) months in any consecutive six (6) month period or for any consecutive three (3) months (the "Threshold Level"). At such time that AT&T's Tandem Transit Traffic exceeds the Threshold Level, upon receipt of a written request from AT&T, Verizon shall continue to provide Tandem Transit Service to AT&T (for the carrier in respect of which the Threshold Level has been reached) for a period equal to sixty (60) days after the date upon which the Threshold Level was reached for the subject carrier (the "Transition Period"). During the Transition Period, in addition to any and all Tandem Transit Traffic rates and charges as provided in Section 7.2.6 hereof, AT&T shall pay Verizon (a) a

monthly "Transit Service Trunking Charge" for each subject carrier, as set forth in Exhibit A hereto, and (b) a monthly "Transit Service Billing Fee", as set forth in Exhibit A hereto. At the end of the Transition Period, Verizon may, in its sole discretion, terminate Tandem Transit Traffic Service to AT&T with respect to the subject third party carrier, provided however, that if AT&T has (i) exercised its best efforts to enter into a reciprocal Telephone Exchange Service traffic arrangement with such subject carrier; and (ii) through no fault of AT&T such subject carrier has failed to enter into such an arrangement; and (iii) immediately upon the expiration of the Transition Period, AT&T files a petition with the Commission (with a copy provided to Verizon on the same date) to establish reciprocal Telephone Exchange Service traffic arrangements with the subject third party carrier, then Verizon will not terminate the Transit Traffic Service until the Commission has ruled on such petition. If, at the end of the Transition Period Verizon does not terminate the Transit Traffic Service to AT&T, AT&T shall continue to pay Verizon (a) a monthly "Transit Service Trunking Charge" for each subject carrier, as set forth in Exhibit A hereto, and (b) a monthly "Transit Service Billing Fee", as set forth in Exhibit A hereto.

7.2.5 Except as otherwise provided in Section 7.2.4 hereof, if AT&T does not implement and provide notice to Verizon of the implementation of the reciprocal Telephone Exchange Service arrangement as specified in Section 7.2.3 above within one hundred eighty (180) days of the initial traffic exchange with the relevant third party carrier(s), then, in addition to any and all Tandem Transit Service rates and charges provided for in this Agreement, AT&T shall pay Verizon the monthly Transit Service Billing Fee, as set forth in Exhibit A hereto, for each such carrier in respect of which AT&T has not entered into such an arrangement.

7.2.6 AT&T shall pay Verizon for Transit Service that AT&T originates at the rate specified in Exhibit A, plus any additional charges or costs the terminating CLEC, ITC, CMRS carrier, or other LEC, imposes or levies on Verizon for the delivery or termination of such traffic, including any Switched Exchange Access Service charges.

7.2.7 If or when a third party carrier's Central Office subtends an AT&T Central Office, then AT&T shall offer to Verizon a service arrangement equivalent or the same as Transit Service provided by Verizon to AT&T as defined in this Section 7.2 such that Verizon may terminate calls to a Central Office of another CLEC, ITC, CMRS carrier, or other LEC, that subtends an AT&T Central Office ("Reciprocal Transit Service"). AT&T shall offer such Reciprocal Transit Service arrangements under terms and conditions no less favorable than those provided in this Section 7.2.

7.2.8 Neither Party shall take any actions to prevent the other Party from entering into a direct and reciprocal traffic exchange agreement with any carrier to which it originates, or from which it terminates, traffic.

7.3 911/E911 Arrangements

7.3.1 AT&T may, at its option, interconnect to the Verizon 911/E911 selective router or 911 Tandem Offices, as appropriate, that serve the areas in which

AT&T provides Telephone Exchange Services, for the provision of 911/E911 services and for access to all subtending Public Safety Answering Points ("PSAP"). In such situations, Verizon will provide AT&T with the appropriate CLLI codes and specifications of the Tandem Office serving area. In areas where E911 is not available, AT&T and Verizon will negotiate arrangements to connect AT&T to the 911 service in accordance with applicable state law.

7.3.2 Path and route diverse Interconnections for 911/E911 shall be made at the AT&T-IP, the Verizon-IP, or other points as necessary and mutually agreed, and as required by law or regulation.

7.3.3 Within thirty (30) days of its receipt of a request from AT&T and to the extent authorized by the relevant federal, state, and local authorities, Verizon will provide AT&T with the following at no charge:

(a) a file via electronic medium containing the Master Street Address Guide ("MSAG") for each county within the LATA(s) where AT&T is providing, or represents to Verizon that it intends to provide within sixty (60) days of AT&T's request, local exchange service, which MSAG shall be updated as the need arises and a complete copy of which shall be made available on an annual basis;

(b) a list of the address and CLLI code of each 911/E911 selective router or 911 Tandem office(s) in the area in which AT&T plans to offer Telephone Exchange Service;

(c) a list of geographical areas, e.g., LATAs, counties or municipalities, with the associated 911 tandems, as applicable.

(d) a list of Verizon personnel who currently have responsibility for 911/E911 requirements, including a list of escalation contacts should the primary contacts be unavailable.

(e) any special 911 trunking requirements for each 911/E911 selective router or 911 Tandem Office;

(f) prompt return of any AT&T 911/E911 data entry files containing errors, so that AT&T may ensure the accuracy of the Customer records.

7.3.4 AT&T shall use, where available, the Private Switch/Automatic Location Identification ("PS/ALI") electronic interface through which AT&T shall input and provide a daily update of 911/E911 database information related to appropriate AT&T Customers. In those areas where the PS/ALI electronic interface is not available, AT&T shall provide Verizon with all appropriate 911/E911 information such as name, address, and telephone number via facsimile for Verizon's entry into the 911/E911 database system. Any 911/E911-related data exchanged between the Parties prior to the availability of an electronic interface shall conform to Verizon standards, whereas 911/E911-related data exchanged electronically shall conform to the National Emergency Number Association standards. AT&T may also use the PS/ALI electronic interface,

where available, to query the 911/E911 database to verify the accuracy of AT&T Customer information.

7.3.5 Verizon and AT&T will use commercially reasonable efforts to facilitate the prompt, robust, reliable and efficient interconnection of AT&T systems to the 911/E911 platforms.

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

7.3.7 The Parties acknowledge that until Local Number Portability ("LNP") with full 911/E911 compatibility is utilized for all ported telephone numbers, the use of Interim Number Portability ("INP") creates a special need to have the Automatic Location Identification ("ALI") screen reflect two numbers: the "old" number and the "new" number assigned by AT&T. Therefore, for those ported telephone numbers using INP, AT&T will provide the 911/E911 database with both the forwarded number and the directory number, as well as all other required information including the appropriate address information for the customer for entry into the 911/E911 database system. Further, AT&T will outpulse the telephone number to which the call has been forwarded (that is, the Customer's ANI) to the 911 Tandem office. AT&T will include their NENA five character Company Identification ("COID") for inclusion in the ALI display.

7.3.8 AT&T is required to enter data into the 911/E911 database under the NENA Standards for LNP. This includes, but is not limited to, using AT&T's NENA COID to lock and unlock records and the posting of AT&T's NENA COID to the ALI record where such locking and migrating feature for 911/E911 records is available or as defined by local standards.

7.3.9 Verizon and AT&T 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.

7.3.10 AT&T will compensate Verizon for connections to its 911/E911 pursuant to Exhibit A.

7.3.11 AT&T and Verizon will comply with all applicable rules and regulations pertaining to the provision of 911/E911 services in New York.

8.0 NUMBER RESOURCES, RATE CENTERS AND RATING POINTS

8.1 Nothing in this Agreement shall be construed to limit or otherwise adversely affect in any manner either Party's right to employ or to request and be assigned any Central Office (NXX) Codes pursuant to the Central Office Code Assignment Guidelines, and any relevant FCC or Commission orders as may be amended from time to time, or to establish, by Tariff or otherwise, Rate Centers and Rating Points corresponding to such NXX codes.

8.2 It shall be the responsibility of each Party to program and update its own switches and network systems in accordance with the Local Exchange Routing Guide ("LERG") in order 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, except as expressly set forth in this Agreement. The Parties will work cooperatively to implement NXX code activation in a manner consistent with industry standards as part of the Joint Grooming Plan process as set forth in Section 10 of this Agreement.

8.3 Upon discovering that either Party's network does not properly recognize an NXX code assigned to the other Party, the discovering Party shall notify the other Party. The Party whose network is malfunctioning will promptly initiate appropriate procedures to locate the source of, and resolve, the problem. The Parties shall work cooperatively to promptly correct all causes of the problem so identified.

8.4 Unless mandated otherwise by a Commission order, the Rate Center Areas will be the same for each Party. During the term of this Agreement, AT&T shall adopt the Rate Center Areas and Rate Center Points that the Commission has approved for Verizon, in all areas where Verizon and AT&T service areas overlap, and AT&T shall assign whole NPA-NXX codes to each Rate Center Area unless the LEC industry adopts alternative methods of utilizing NXXs in the manner adopted by the NANP.

8.5 AT&T will also designate a Routing Point for each assigned NXX code. AT&T shall designate one location for each Rate Center Area as the Routing Point for the NPA-NXXs associated with that Area, and such Routing Point shall be within the same LATA as the Rate Center Area but not necessarily within the Rate Center Area itself.

8.6 Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended to, and nothing in this Agreement shall be construed to, in any way constrain AT&T's choices regarding the size of the local calling area(s) that AT&T may establish for its Customers, which local calling areas may be larger than, smaller than, or identical to, Verizon's local calling areas.

9.0 NETWORK MAINTENANCE AND MANAGEMENT; OUTAGES

9.1 Cooperation

The Parties will work cooperatively to install and maintain a reliable network. AT&T and Verizon will exchange appropriate information (e.g., maintenance contact numbers, escalation procedures, network information, information required to comply with law enforcement and other security agencies of the Government) to achieve and maintain this desired reliability. In addition, the Parties will work cooperatively to apply sound network management principles to alleviate or to prevent congestion and to minimize fraud associated with third number billed calls, calling card calls, and any other services related to this Agreement.

9.2 Responsibility for Following Standards

Each Party recognizes a responsibility to follow the standards (including any standards set forth in this Agreement) agreed to between the Parties and to employ characteristics and methods of operation that will not interfere with or impair the service or any facilities of the other or any third parties connected with or involved directly in the network of the other Party.

9.3 Interference or Impairment

If Party A reasonably determines that the characteristics, facility, service or methods of operation used by Party B will or are likely to materially interfere with or impair Party A's provision of services to any individual Customer or carrier, Party A may, to the limited extent required to address the particular condition, interrupt or temporarily suspend any service or facilities provided to Party B that gives rise to or is likely to give rise to such interference or impairment subject to the following:

9.3.1 Except in emergency situations, Party A shall have given Party B at least ten (10) days' prior written notice of the material interference or impairment or potential material interference or impairment and the need to correct the condition within said time period;

9.3.1a If Party B corrects the condition in the ten (10)-day time period, Party A shall not interrupt or temporarily suspend the affected services or facilities provided by Party A to Party B; and

9.3.2 Upon correction of the interference or impairment that caused Party A to interrupt or temporarily suspend the service or facility, Party A will promptly restore the interrupted or temporarily suspended service or facility. During such period of suspension or interruption, there will be no compensation or credit allowance by Party A to Party B.

9.4 Outage Repair Standard

In the event of an outage or trouble in any arrangement, facility, or service being provided by a Party hereunder, the providing Party will follow procedures for isolating and clearing the outage or trouble that are no less rigorous than Verizon's standard procedures. AT&T and Verizon may agree to modify those procedures from time to time based on their experience with comparable Interconnection arrangements with other carriers.

9.5 Notice of Changes -- Section 251(c)(5)

If a Party makes a change in the information necessary for the transmission and routing of services using that Party's network, or any other change in its network which it believes may materially affect the interoperability of its network with the other Party's network, the Party making the change shall publish notice at least ninety (90) days in advance of such change, and shall use all reasonable efforts to publish at least one hundred eighty (180) days in advance where practicable; provided, however, that if a longer period of notice is required by the FCC's or Commission's rules, including, e.g.,

the Network Disclosure rules set forth in the FCC Regulations, the Party will comply with such rules.

10.0 JOINT NETWORK IMPLEMENTATION AND GROOMING PROCESS

10.1 Joint Network Implementation And Grooming Process: Installation, Maintenance, Testing and Repair

10.1.1 Upon request of either Party, AT&T and Verizon shall jointly develop an implementation and grooming process (the "Joint Grooming Process"), which may define in detail, among other things, the following:

10.1.1.1 The physical architecture consistent with Section 4.0.

10.1.1.2 Standards to ensure that Traffic Exchange Trunk groups experience a grade of service, availability and quality which is comparable to that achieved on interoffice trunks within Verizon's network and in accord with the terms of Section 26.0, to the extent such terms are applicable, and all appropriate relevant industry-accepted quality, reliability and availability standards. A blocking standard of one half of one percent (B.005) shall be maintained during the average Time Consistent Busy Hour for final Access Toll Connecting Trunk groups carrying traffic between an AT&T end office and a Verizon access tandem. All final Traffic Exchange Trunk groups are to be engineered with an average Time Consistent Busy Hour blocking standard of one percent (B.01).

10.1.1.3 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.

10.1.1.4 Disaster recovery provision escalations.

10.1.1.5 A procedure for escalating any emergency or urgent matters and personnel that can be reached on a 7 x 24 basis.

10.1.1.6 Such other matters as the Parties may agree, including, e.g., End Office to End Office high usage trunks as good engineering practices may dictate.

10.1.2 In those cases where either Party's equipment will not support 64K Clear Channel Capability ("CCC"), the Parties agree to establish AMI line coding.

10.2 Installation, Maintenance, Testing and Repair

Unless otherwise agreed to by the Parties, Interconnection shall be equal in quality to that provided by each of the Parties to itself, any subsidiary, affiliate, or third party, to the extent required by Applicable Law. Without affecting any liability it may

otherwise have to the other Party hereunder, if either Party is unable to fulfill its obligations under this subsection 10.2, it shall notify the other Party of its inability to do so and will negotiate alternative intervals in good faith. The Parties agree that the standards to be used by each Party for isolating and clearing any disconnections and/or other outages or troubles shall be at parity with standards used by each Party with respect to itself, any subsidiary, affiliate or third party, to the extent required by Applicable Law.

10.2.1 Trunk Provisioning

10.2.1.1 Both Parties will manage the capacity of their interconnection trunk groups.

10.2.1.2 Unless the Parties agree otherwise, the Parties will adhere to the ordering and provisioning guidelines of the OBF for Access Toll Connecting Trunk ordering and servicing.

10.2.1.3 At either Party's request, the Parties shall work cooperatively to coordinate major large network interconnection projects that require related work activities between and among Verizon and AT&T work groups.

10.2.2 Network Management

10.2.2.1 Protective Protocols -- Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward the other Party's network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure, or focused overload. Each Party will provide appropriate industry standard notification to the other Party of any such protective control action which has been executed by that Party. To the extent that prior notification is commercially reasonable and consistent with industry practice, each Party will provide prompt notification to the other Party of any such protective control action which will be executed by the Party.

10.2.2.2 Expansive Protocols — Originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns.

10.2.2.3 Mass Calling — AT&T and Verizon shall cooperate 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.

10.3 Forecasting Requirements for Trunk Provisioning

10.3.1 AT&T shall provide Verizon a two (2) year traffic forecast of inbound and outbound trunks. The forecast shall be updated and provided to Verizon on an as-needed basis but no less frequently than semiannually. All forecasts shall comply with the Verizon CLEC Interconnection Trunking Forecast Guide and shall include, Access Carrier Terminal Location ("ACTL"), traffic type (Reciprocal Compensation

Traffic/Toll Traffic, Operator Services, 911, etc.), code (identifies trunk group), A location/Z location (CLLI codes for AT&T-IP's and Verizon-IP's), interface type (e.g., DS1), and trunks in service, if applicable, and trunks required each year (cumulative).

10.3.2 Initial Forecasts/Trunking Requirements

For those LATAs where the Parties have not provisioned trunks for the exchange of Reciprocal Compensation Traffic and unless AT&T expressly identifies particular situations that are expected to produce traffic that is substantially skewed in either the inbound or outbound direction, Verizon will provide the same number of trunks to terminate Reciprocal Compensation Traffic to AT&T as AT&T provides to terminate Reciprocal Compensation Traffic to Verizon, provided, that AT&T's forecast is based on reasonable engineering criteria.

10.3.3 Monitoring and Adjusting Forecasts

Verizon will, for ninety (90) days, monitor traffic on each trunk group that it establishes at AT&T's suggestion or request pursuant to the procedures identified in Section 10.3.1. At the end of such ninety (90) day period, Verizon may disconnect trunks that, based on reasonable engineering criteria and capacity constraints, are not warranted by the actual traffic volume experienced. If, after such initial ninety (90) day period for a trunk group, Verizon determines that any trunks in the trunk group in excess of four (4) DS-1s are not warranted by actual traffic volumes (considering engineering criteria for busy hour CCS and blocking percentages), then Verizon may hold AT&T financially responsible for the excess facilities. In subsequent periods, Verizon may also monitor traffic for ninety (90) days on additional trunk groups that AT&T suggests or requests Verizon to establish. If, after any such (90) day period, Verizon determines that any trunks in the trunk group are not warranted by actual traffic volumes (considering engineering criteria for busy hour CCS and blocking percentages), then Verizon may hold AT&T financially responsible for the excess facilities. At any time during the relevant ninety (90) day period, AT&T may request that Verizon disconnect trunks to meet a revised forecast. In such instances, Verizon may hold AT&T financially responsible for the disconnected trunks retroactive to the start of the ninety (90) day period through the date such trunks are disconnected.

10.4 Demand Management Forecasts

AT&T will furnish Verizon with good faith demand management forecasts including but not limited to: unbundled Network Elements, resale products and Interconnection with each forecast covering a two year period. Such forecasts will be provided sixty (60) days following the Effective Date if such forecasts have not already been provided to Verizon prior to the Effective Date, and every six (6) months thereafter. Such forecasts will describe AT&T's expected service volumes and timeframes for service deployment by wire center. Such forecasts shall be subject to the confidentiality provisions set forth in Section 28.5.2 of this Agreement and the information contained in such forecasts will only be used to provide services pursuant to this Agreement. Such forecasts shall not be a commitment by AT&T to order any specified amount of Intercon-

nection, unbundled Network Elements or Resold Services. Nor do such forecasts expand or otherwise increase (i) Verizon's obligations to provide Interconnection, unbundled Network Elements or Resold Services pursuant to this Agreement or (ii) any performance standards, measurements, or remedies, if any, that may apply pursuant to Section 26 of this Agreement.

11.0 UNBUNDLED ACCESS

Subject to the conditions set forth in Section 11, Verizon shall offer to AT&T nondiscriminatory access to Network Elements and Combinations as set forth below on an unbundled basis at any technically feasible point pursuant to, and in accordance with the terms and provisions of this Agreement and Applicable Law (including, without limitation, as set forth in the FCC's Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, released November 5, 1999, and in FCC Rule 51.315(b), as each may be in effect from time to time); but, notwithstanding any other provision of this Agreement, only to the extent provision of such Network Elements and Combinations on an unbundled basis is required by Applicable Law. Such access to Network Elements and Combinations shall include all of the Network Element's features, functions and capabilities in a manner that allows AT&T to provide any Telecommunications Service that can be offered by means of the Network Element consistent with Applicable Law.

11.1 Verizon's Provision of Network Elements

Subject to the conditions set forth in Section 11, Verizon shall provide AT&T access to the following:

11.1.1 Loops, Sub-Loops, Dark Fiber, Line Sharing, and House and Riser, as set forth in Section 11.2;

11.1.2 The Network Interface Device, as set forth in Section 11.3;

11.1.3 Switching Capability, as set forth in Section 11.4;

11.1.4 Interoffice Transmission Facilities, as set forth in Section 11.5;

11.1.5 Signaling Links and Call-Related Databases, as set forth in Section 11.5A and Section 17;

11.1.6 Operations Support Systems, as set forth in Section 11.6;

11.1.7 Other Network Elements in accordance with Section 11.8 below.

11.2 Loops, Sub-Loops, Dark Fiber, Line Sharing, and House and Riser

11.2.1 Subject to the conditions set forth in Section 11, Verizon shall allow AT&T to access Loops unbundled from local switching and local transport as required by Applicable Law, in accordance with the rates, terms and conditions set forth

in Verizon's NYPSC No. 916 Tariff, as amended from time to time. To the extent required by Applicable Law, Verizon shall provide access to the unbundled Sub-Loop Network Element in accordance with the rates, terms and conditions set forth in Verizon's NYPSC No. 916 Tariff, as amended from time to time. The unbundled Sub-Loop network element, as set forth in FCC Rule 51.319(a)(2), is any portion of the loop that is technically feasible to access at terminals in Verizon's outside plant, including inside wire as defined in FCC Rule 51.319(a)(2)(i). An accessible terminal is any point on the loop where technicians can access the wire or fiber within the cable without removing a splice case to reach the wire or fiber within.

11.2.2 Dark Fiber.

11.2.2.1 Subject to the conditions set forth in Section 11 and upon request, Verizon shall provide to AT&T access to unbundled Dark Fiber Loops (as such term is hereinafter defined) in accordance with, and subject to, the rates, terms and provisions of Verizon's NYPSC No. 916 Tariff, as amended from time to time. A "Dark Fiber Loop" means two continuous fiber optic strands (a pair) located within a Verizon fiber optic cable sheath between a Verizon end office and the premises of a Customer but that are not connected to any equipment used or that can be used to transmit and receive telecommunications traffic.

11.2.3 House and Riser. Subject to the conditions set forth in Section 11 and upon request, Verizon shall provide to AT&T access to a House and Riser Cable (as such term is hereinafter defined) in accordance with, and subject to, the rates, terms and provisions of Verizon's NYPSC No. 916 Tariff, as amended from time to time. A "House and Riser Cable" means a two-wire or four-wire metallic distribution facility in Verizon's network between the minimum point of entry for a building where a premises of a Customer is located (such a point, an "MPOE") and the rate demarcation point for such facility (or network interface device ("NID") if the NID is located at such rate demarcation point). Verizon shall provide AT&T with access to House and Riser Cables in accordance with, but only to the extent required by, Applicable Law.

11.2.4 Line Sharing. To the extent required by Applicable Law, Verizon shall provide Line Sharing to AT&T for AT&T's provision of ADSL (in accordance with T1.413), Splitterless ADSL (in accordance with T1.419), RADSL (in accordance with TR # 59), MVL (a proprietary technology), or any other xDSL technology that is presumed to be acceptable for shared line deployment in accordance with FCC rules, on the terms and conditions set forth herein. In order for a Loop to be eligible for Line Sharing, the following conditions must be satisfied for the duration of the Line Sharing arrangement: (i) the Loop must consist of a copper loop compatible with an xDSL service that is presumed to be acceptable for shared-line deployment in accordance with FCC rules; (ii) Verizon must be providing simultaneous circuit-switched analog voice grade service to the Customer served by the Loop in question; (iii) the Verizon Customer's dial tone must originate from a Verizon End Office Switch in the Wire Center where the Line Sharing arrangement is being requested; and (iv) the xDSL technology to be deployed by AT&T on that Loop must not significantly degrade the performance of other services provided on that Loop.

Subject to the conditions set forth in Section 11 and upon request, Verizon shall make Line Sharing available to AT&T in accordance with, and subject to, the rates, terms and provisions of Verizon's NYPSC No. 916 Tariff, as amended from time to time. Verizon will provide AT&T access to Line Sharing in accordance with, but only to the extent required by, Applicable Law.

11.3 Network Interface Device

Subject to the conditions set forth in Section 11 and at the request of AT&T, Verizon shall permit AT&T to connect a carrier's Loop to the Inside Wiring of a Customer's premises through Verizon's Network Interface Device (NID) at the rates, terms and conditions set forth in Verizon's NYPSC No. 916 Tariff, as amended from time to time. Verizon shall provide AT&T with access to NIDs in accordance with, but only to the extent required by, Applicable Law.

11.4 Unbundled Switching Elements

Subject to the conditions set forth in Section 11 and at the request of AT&T, Verizon shall make available to AT&T the Local Switching Element and Tandem Switching Element unbundled from shared interoffice transport and local Loop transmission, or other services, in accordance with Applicable Law, at the rates, terms and conditions set forth in Verizon's NYPSC No. 916 Tariff, as amended from time to time. Verizon shall provide AT&T with access to the local Switching Element and the Tandem Switching Element in accordance with, but only to the extent required by, Applicable Law.

11.5 Unbundled InterOffice Transmission Facilities

11.5.1.1 Subject to the conditions set forth in Section 11, where facilities are available, Verizon shall make available to AT&T unbundled interoffice transmission facilities in accordance with Applicable Law, at the rates, terms and conditions set forth in Verizon's NYPSC No. 916 Tariff, as amended from time to time. Verizon shall provide AT&T with access to unbundled interoffice transmission facilities in accordance with, but only to the extent required by, Applicable Law.

11.5A Call Related Databases and AIN

11.5A.1 Verizon shall provide access to call related databases to the extent required by Applicable Law, including but not limited to, FCC Rule 51.319(e). Verizon shall provide such access in accordance with Section 17 of this Agreement. Call related databases include, but are not limited to: Line Information Database, Calling Name Database, Toll Free Number Database, and Advanced Intelligent Network Databases.

11.5A.2 [Intentionally deleted.]

11.5A.3 [Intentionally deleted.]

11.5A.4 Line Information Data Base (LIDB)

11.5A.4.1 Verizon shall permit AT&T access to the validation data in the Verizon LIDB database for use in AT&T's provision of local exchange services. To the extent AT&T provides local switching utilizing its own switch, AT&T may request that Verizon store its calling card, toll billing exception and payphone number validation data in the Verizon LIDB database pursuant to a separate agreement or an amendment to this Agreement negotiated by the Parties.

11.5A.4.2 Upon reasonable request by AT&T, Verizon shall provide AT&T with a list of the end user data which AT&T is required to provide in order to support toll billing exception and calling card validation.

11.5A.5 Calling Name Database

11.5A.5.1 Verizon shall permit AT&T to transmit a query to Verizon's CNAM database for the purpose of obtaining the name associated with a line number for delivery to AT&T's local exchange customers. To the extent AT&T provides local switching utilizing its own switch, AT&T may request that Verizon provide CNAM database storage and validation services pursuant to a separate agreement or an amendment to this Agreement negotiated by the Parties.

11.5A.6 Toll Free Number Database

11.5A.6.1 Verizon shall provide access to Verizon's toll free number database to allow AT&T to transmit a query to determine the carrier selection and other routing instructions (e.g., POTS translation, time of day, day of week, originating call number).

11.5A.7 Advanced Intelligent Network (AIN) Access, Service Creation Environment and Service Management System (SCE/SMS) Advanced Intelligent Network Access.

11.5A.7.1 Verizon shall provide access to any and all non-proprietary Verizon service applications resident in Verizon's SCP. Such access may be from AT&T's switch or Verizon's unbundled Local Switching element. SCE/SMS AIN access shall provide AT&T the ability to create service applications in the Verizon SCE and deploy those applications via the Verizon SMS to the Verizon SCP consistent with the way Verizon creates and deploys such applications. Verizon shall make SCE hardware, software, testing and technical support (e.g., help desk, system administrator) resources available to AT&T. The Verizon SCE/SMS shall allow for multi-user access by AT&T personnel. AIN service applications and process flow design developed in the SCE by an AT&T service designer/creator to provide AIN based services will be provided to AT&T. Verizon shall provide management and other logical security functions. When AT&T selects SCE/SMS AIN access, Verizon shall provide for a secure, controlled access environment on-site as well as via remote data connections (i.e., ISDN circuit switched data) and shall allow AT&T to transfer data forms and/or tables to

the Verizon SCP via the ILEC SMS (e.g., service customization and subscriber subscription) in a manner consistent with how Verizon provides that capability to itself.

11.6 Operations Support Systems

Subject to the conditions set forth in Section 11 and Schedule 11 of this Agreement, Verizon shall provide AT&T with access via electronic interfaces to databases required for pre-ordering, ordering, provisioning, maintenance and repair, and billing as soon as practicable. All such transactions shall be submitted by AT&T through such electronic interfaces unless otherwise agreed to by the Parties.

11.6A Operator Service and Directory Assistance Service

11.6A.1 To the extent required by Applicable Law and pursuant to FCC Rule 51.319(f), Verizon shall provide nondiscriminatory access to Operator Services and Directory Assistance on an unbundled basis to AT&T for the provision of a Telecommunications Service only where Verizon does not provide, upon request by AT&T, customized routing or a compatible signaling protocol of OS/DA. Operator Services ("OS") are any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. Directory Assistance ("DA") is a service that allows subscribers to retrieve telephone numbers of other subscribers.

11.7 Limitations on Unbundled Access

11.7.1 Notwithstanding any other provision of this Agreement:

(a) To the extent that Verizon is required by a change in Applicable Law to provide a Network Element on an unbundled basis or a Combination to AT&T, the terms, conditions and prices for such Network Element or Combination (including, but not limited to, the terms and conditions defining the Network Element or Combination and stating when and where the Network Element or Combination will be available and how it will be used, and terms, conditions and prices for pre-ordering, ordering, provisioning, repair, maintenance and billing) shall be as provided in an applicable Tariff of Verizon (a "Verizon UNE Tariff") or, in the absence of such a Tariff, as mutually agreed to by the Parties pursuant to Section 27.4 hereof.

11.7.2 Without limiting Verizon's rights pursuant to Applicable Law or this Agreement to terminate its provision of a Network Element or a Combination, if Verizon provides a Network Element or Combination to AT&T, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined that Verizon is not required by Applicable Law to provide such Network Element or Combination, Verizon may terminate its provision of such Network Element or Combination to AT&T. If Verizon terminates its provision of a Network Element or a Combination to AT&T pursuant to this Section 11.7.2 and AT&T elects to purchase other services offered by Verizon in place of such Network Element or Combination, then: (a) Verizon shall reasonably cooperate with AT&T to coordinate the termination of such Network Element or Combination and the installation of such services to minimize the

interruption of service to customers of AT&T; and, (b) AT&T shall pay all applicable charges for such services.

11.7.3 Nothing contained in this Agreement shall be deemed to constitute an admission by Verizon that any item identified in this Agreement as a Network Element is (i) a Network Element under Applicable Law, or (ii) a Network Element Verizon is required by Applicable Law to provide to AT&T on an unbundled basis. Nothing contained in this Agreement shall limit either Party's right to appeal, seek reconsideration of, or otherwise seek to have stayed, modified, reversed or invalidated any order, rule, regulation, decision, ordinance, or statute issued by the Commission, the FCC, any court, or any other governmental authority related to, concerning or that may affect a Party's rights or obligations under this Agreement or under Applicable Law.

11.7.4 Except as otherwise required by Applicable Law: (a) Verizon shall be obligated to provide a UNE or Combination pursuant to this Agreement only to the extent such UNE or Combination, and the equipment and facilities necessary to provide such UNE or Combination, are available in Verizon's network; (b) Verizon shall have no obligation to construct or deploy new facilities or equipment to offer any UNE or Combination.

11.7.5 Except as otherwise expressly stated in this Agreement, AT&T shall access (via its own facilities or facilities it obtains from a third party) Verizon's unbundled Network Elements and Combinations specifically identified in this Agreement via Collocation in accordance with Section 13 at the Verizon Wire Center where those elements exist, and each Loop or Port shall, in the case of Collocation, be delivered to AT&T's Collocation node by means of a Cross Connection.

11.7.6 Verizon shall provide AT&T access to its Loops at each of Verizon's Wire Centers for Loops terminating in that Wire Center. In addition, if AT&T orders one or more Loops provisioned via Integrated Digital Loop Carrier or Remote Switching technology deployed as a Loop concentrator, Verizon shall, where available, move the requested Loop(s) to a spare physical Loop, if one is existing and available, at no additional charge to AT&T. If, however, no spare physical Loop is available, Verizon shall within three (3) Business days of AT&T's request notify AT&T of the lack of available facilities. AT&T may then at its discretion make a Network Element Bona Fide Request to Verizon to provide the unbundled Local Loop through the demultiplexing of the integrated digitized Loop(s). AT&T may also make a Network Element Bona Fide Request for access to Unbundled Local Loops at the Loop concentration site point. Notwithstanding anything to the contrary in this Agreement, standard provisioning intervals shall not apply to Loops provided under this Section 11.7.6.

11.7.7 If as the result of AT&T Customer actions (i.e., Customer Not Ready ("CNR")), Verizon cannot complete requested work activity when a technician has been dispatched to the AT&T Customer premises, AT&T will be assessed a non-recurring charge associated with this visit. This charge will be the sum of the applicable Service Order Charge specified in Exhibit A and the Premises Visit Charge as specified in Verizon's applicable retail Tariff.

11.8 Availability of Other Network Elements on an Unbundled Basis

11.8.1 Verizon shall, upon request of AT&T and to the extent required by Applicable Law, provide to AT&T access to its Network Elements on an unbundled basis for the provision of AT&T's Telecommunications Service. Any request by AT&T for access to a Verizon Network Element not provided pursuant to this Agreement or pursuant to another interconnection agreement in accordance with the terms and conditions of Section 28.13 hereof shall be treated as a Network Element Bona Fide Request.

11.8.2 A Network Element obtained by AT&T from Verizon under this Section 11.8 may be used in combination with the facilities of AT&T only to provide a Telecommunications Service.

11.8.3 Notwithstanding anything to the contrary in this Section 11.8, Verizon shall not be required to provide a proprietary Network Element to AT&T under this Section 11.8 except as required by Applicable Law.

11.9 [Intentionally omitted.]

11.10 Maintenance of Unbundled Network Elements

If (a) AT&T reports to Verizon a Customer trouble, (b) AT&T requests a dispatch, (c) Verizon dispatches a technician, and (d) such trouble was not caused by Verizon's facilities or equipment in whole or in part, then AT&T shall pay Verizon a charge set forth in Exhibit A for time associated with said dispatch. In addition, this charge also applies when the Customer contact as designated by AT&T is not available at the appointed time. AT&T accepts responsibility for initial trouble isolation and providing Verizon with appropriate dispatch information based on its test results. If, as the result of AT&T instructions, Verizon is erroneously requested to dispatch to a site on Verizon company premises ("dispatch in"), a charge set forth in Exhibit A will be assessed per occurrence to AT&T by Verizon. If as the result of AT&T instructions, Verizon is erroneously requested to dispatch to a site outside of Verizon company premises ("dispatch out"), a charge set forth in Exhibit A will be assessed per occurrence to AT&T by Verizon. Verizon agrees to respond to AT&T trouble reports on a non-discriminatory basis consistent with the manner in which it provides service to its own retail Customers or to any other similarly initiated Telecommunications Carrier.

11.10.1 Verizon shall provide AT&T access to the mechanized loop test ("MLT"), where such capability is available, for maintenance and repair of the UNE-Platform. Where access to MLT is not available for UNE-Platform, Verizon shall perform such testing at AT&T's request, and supply the test results to AT&T.

11.11 Rates

11.11.1 Verizon shall charge, and AT&T shall pay, the non-recurring and monthly recurring rates for Network Elements set forth in the applicable Verizon Tariff or, if not set forth in a Verizon Tariff, as set forth in Exhibit A. If the Commission adopts

permanent rates consistent with the requirements of the FCC Regulations (to the extent it has not already done so), then such permanent rates shall be applied in the manner described in Exhibit A and Section 20.1.2 below.

11.12 Combinations

11.12.1 Subject to the conditions set forth in Section 11, Verizon shall be obligated to provide combinations of unbundled Network Elements ("Combinations") including those set forth below only to the extent provision of a Combination is required by Applicable Law. To the extent Verizon is required by Applicable Law to provide a Combination to AT&T, Verizon shall provide such Combination in a manner consistent with Applicable Law.

11.13 [Intentionally omitted.]

11.14 Cooperative Testing

Pursuant to methods and procedures developed as part of the DSL Provisioning Process in New York, at AT&T's request, AT&T and Verizon shall perform cooperative testing of DSL-capable Loops.

12.0 RESALE - SECTIONS 251(C)(4) AND 251(B)(1)

12.1 Availability of Retail Services/Wholesale Rates for Resale

Verizon will make available to AT&T, for resale at wholesale rates (except as provided below), the Telecommunications Services (As Defined in the Act) that it provides at retail to its non-carrier customers (collectively, "Resold Services"), subject to and in accordance with the terms and conditions, including discount rates, of Verizon P.S.C. Resale Tariff No. 915 (as amended or otherwise in effect from time to time, the "Resale Tariff"). To the extent required by Applicable Law, Verizon shall make available such Resold Services at the retail prices set forth in Verizon's Tariffs less the wholesale discount set forth in Exhibit A.

12.2 Availability of Branding for Resale

To the extent required by Applicable Law, upon request by AT&T and at prices, terms and conditions to be negotiated by AT&T and Verizon, Verizon shall provide Verizon Resold Services that are identified by AT&T's trade name, or that are not identified by trade name, trademark or service mark.

12.3 Customer of Record

12.3.1 AT&T shall establish telephone numbers at which AT&T's customers may communicate with AT&T and shall make reasonable efforts to advise AT&T's Customers who may wish to communicate with AT&T of these telephone numbers.

12.3.2 Verizon employees who are reasonably likely to communicate, either by telephone or face-to-face, with AT&T's Customers of Resold Services during the service

provisioning or maintenance processes shall or have received such training as reasonably necessary for those employees to conform to the requirements of this Agreement with regard to their contact with AT&T Customers.

12.4 Discontinuance of Verizon Services

To the extent required by Applicable Law, where Verizon discontinues a Verizon Resale Telecommunications Service, AT&T shall be subject to the same limitations and rights (e.g. if Verizon allows for any transition or grandfathered period) that Verizon's own retail Customers may be subject to with respect to any Telecommunications Service that Verizon may, in its discretion and to the extent not prohibited by Applicable Law, discontinue offering.

12.5 Additional Terms Governing Resale and Use of Verizon Services

12.5.1 AT&T shall not be eligible to participate in any Verizon plan or program under which Verizon end user retail Customers may obtain products or merchandise, or services which are not Telecommunications Services, in return for AT&T's trying, agreeing to purchase, purchasing, or using Telecommunications Services.

12.5.2 Neither Verizon nor AT&T may offer services to its end users or others under any of the brand names of the other Party or any of its parents, subsidiaries or affiliates, regardless of whether or not such brand names are registered trademarks or servicemarks, without the other Party's written authorization. Notwithstanding the foregoing, Verizon shall not be required to remove (or remove references to) the brand name or logo "Verizon" or similar names or connotations of brand identifying Verizon or its parents, subsidiaries or affiliates from any items or services which it provides, except insofar as Verizon's obligation, pursuant to Applicable Law, to re-brand (with the AT&T identification) and except that (x) Verizon shall not provide to AT&T's end user Customer a copy of its branded time and material rates authorization form, (y) to the extent Verizon provides a "left in dial tone" recording (applicable to inactive telephone lines that have access solely to 800, local business office or 911 service) it shall provide a statement that the end-user should contact its local service provider (without reference to Verizon) to activate service and (z) Verizon may include on the "no access" cards left by Verizon personnel at Customer premises responding to activation or maintenance service requests the following statement:

"Verizon was here.

Verizon was here on behalf of your service provider to address your activation or maintenance request. Please re-contact your service provider to arrange for a future appointment."

or such other substantially similar statement as will not bear the logo or brand name of Verizon other than to simply identify the personnel leaving such card. The brand name of Verizon shall appear on any "no access" card with no greater prominence than the remainder of the printed statement. Any reprinting of the "no access" cards subsequent to the Effective Date of this Agreement shall exclude the first sentence of the above-captioned statement

12.5.3 Upon rendering of a final bill by Verizon to its end-user Customer who has switched from Verizon and now subscribes to services AT&T provides using Resold Services, Verizon shall remove any Verizon-assigned telephone calling card number from the LIDB for such Customer's Verizon calling card issued in connection with that Customer's local exchange service. Nothing contained in this Agreement shall preclude the marketing of Verizon calling cards to these end-user Customers, subject to the restrictions set forth in Section 28.5 of this Agreement.

12.5.4 **Alternate Billing to Third Numbers**

12.5.4.1 Calls on Verizon resold Lines using Verizon's Operator Services. The following procedures shall apply for Alternately Billed Calls which are local calls or IntraLATA toll calls carried by Verizon and originating or terminating over a Verizon line (a) which has been resold by AT&T pursuant to the terms of this Agreement and (b) for which Verizon is providing operator and directory assistance services.

12.5.4.1.1 In the case of a call which originates from an AT&T Customer being served by a resold line in Verizon territory (hereinafter "AT&T Customer Resold Line") which is charged to a retail Customer served by a Verizon line including a resold line in Verizon territory within New York (hereinafter "Verizon New York Territory"), Verizon shall record and process such call, and transmit to AT&T an unrated call record. AT&T shall rate such call for purposes of charging the retail Customer and send such rated record to Verizon or a resale carrier designated by Verizon in billable form for billing and collection purposes, at which point AT&T shall have no further responsibility for billing or collecting for such call for Verizon retail Customers. Verizon, for Verizon retail Customers only, shall pay AT&T for such call the billed amount less the billing and collection fee specified in Exhibit A. AT&T shall pay Verizon for the call at the wholesale discount rate set forth in Exhibit A as billed on the wholesale bill.

12.5.4.1.2 Verizon Originating Call charged to AT&T Customer.

In the case of a call which originates from a Verizon retail Customer within New York and is charged to an AT&T Customer Resold Line, Verizon shall record and process such call and rate such call for purposes of charging AT&T's Customer. Verizon shall send such rated record to AT&T in billable form for billing and collection purposes, at which point Verizon shall have no further responsibility for billing or collecting for such call. AT&T shall pay Verizon for such call the billed amount less the billing and collection fee specified in Exhibit A.

12.5.4.1.3 AT&T Originating Call charged to Other Carrier.

In the case of a call which originates from an AT&T Customer Resold Line which is charged to a customer of a third party telecommunications carrier outside of Verizon New York Territory, Verizon may record and process such call and transmit to AT&T an unrated call record, at which point Verizon shall have no further responsibility for

rating, billing, or collecting for such call. AT&T shall pay Verizon for such call at the wholesale discount rate set forth in Exhibit A as billed on the wholesale bill.

12.5.4.2 Calls on Verizon Resold Lines Not Using Verizon Operator Services. The following procedures shall apply for Alternately Billed calls which are local calls or IntraLATA toll calls carried by Verizon and originating or terminating over a Verizon line (a) which has been resold by AT&T pursuant to the terms of this Agreement and (b) for which Verizon is not providing operator and directory assistance services:

12.5.4.2.1 AT&T Originating Call Charged to Verizon Customer. In the case of a call which originates from an AT&T Customer Resold Line and is charged to a Verizon retail Customer within Verizon New York Territory, AT&T shall record and process such call at its OSPS and rate such call for purposes of charging Verizon's Customer and send such rated record to Verizon in billable form for billing and collection purposes, at which point AT&T shall have no further responsibility for billing or collecting for such call. Verizon shall pay AT&T for such call the billed amount less the billing and collection fee as specified in Exhibit A.

12.5.4.2.2 Verizon Originating Call charged to AT&T Customer. In the case of a call which originates from a Verizon retail Customer within New York and is charged to an AT&T Customer Resold Line, Verizon shall record and process such call and rate such call for purposes of charging AT&T's Customer. Verizon shall send such rated record to AT&T in billable form for billing and collection purposes, at which point Verizon shall have no further responsibility for billing or collecting for such call. AT&T shall pay Verizon for such call the billed amount less the billing and collection fee specified in Exhibit A.

12.5.4.2.3 AT&T Originating Call charged to Other Carrier. In the case of a call which originates from an AT&T Customer Resold Line which is charged to a customer of a third party telecommunications carrier providing services outside of Verizon New York Territory, AT&T shall record and process such call.

12.5.4.3 Calls Billed to Verizon Resold Lines and Carried through CMDS and CATS. The following procedures shall apply for Alternately Billed Calls which are local calls or IntraLATA toll calls billed through the Centralized Message Distribution System ("CMDS") and originating or terminating over a third company's line and charged to a Verizon line which has been resold by AT&T pursuant to the terms of this Agreement.

12.5.4.3.1 Calls Carried through CMDS and CATS. For a call which originates and terminates outside of Verizon New York Territory and is charged to an AT&T Customer Resold Line, Verizon shall provide to AT&T the information and charges with respect to such call received from the out-of-region telecommunications carrier via the daily usage feed. Verizon shall have no further responsibility for rating, billing and collecting for such call. AT&T shall pay Verizon for such call an amount equal to the amount charged to Verizon through the CATS settlement process by such out-of-region telecommunications carrier with respect to such call as billed on the wholesale bill and a Call Usage Detail Service charge in accordance with Exhibit A.

12.5.4.4 Administrative Matters

All other matters relating to the rating, billing, payments and transmission of records with respect to Alternately Billed Calls which are not set forth above, including, without limitation, the timing of payments and billings, the frequency of transmission of records and the eligibility of messages for billing, shall be governed by the other applicable provisions of this Agreement.

12.5.5 E911/911 Services

12.5.5.1 Where and to the extent that Verizon provides E911/911 call routing to a Public Safety Answering Point ("PSAP") to Verizon's own end user retail Customers, Verizon will provide to AT&T, for resold Verizon Retail Telecommunications Service dial tone lines, E911/911 call routing to the appropriate PSAP. Verizon will provide AT&T Customer information for resold Verizon Retail Telecommunications Service dial tone lines to the PSAP as that information is provided to Verizon by AT&T where and to the same extent that Verizon provides Verizon end user retail Customer information to the PSAP. Verizon will update and maintain, on the same schedule that Verizon uses with Verizon's own end user retail Customers, for AT&T Customers served by resold Verizon Retail Telecommunications Service dial tone lines, AT&T Customer information in Verizon's E911/911 databases.

12.5.5.2 AT&T shall provide to Verizon the name, telephone number and address, of all AT&T Customers, and such other information as may be requested by Verizon, for inclusion in E911/911 databases. Any change in AT&T Customer name, address or telephone number information (including addition or deletion of an AT&T Customer, or a change in AT&T's Customer name, telephone number or address), or in other E911/911 information supplied by AT&T to Verizon, shall be reported to Verizon by AT&T within one (1) day after the change.

12.5.5.3 To the extent that it is necessary (whether as a requirement of Applicable Law or otherwise) for AT&T to enter into any agreements or other arrangements with governmental entities (or governmental entity contractors) related to E911/911 in order for AT&T to provide Telecommunications Services, AT&T shall at AT&T's expense enter into such agreements and arrangements.

13.0 COLLOCATION -- SECTION 251(C)(6)

13.1 To the extent required by Applicable Law, Verizon shall provide Collocation for the purpose of facilitating AT&T's Interconnection with facilities or services of Verizon or access to unbundled Network Elements of Verizon, except as otherwise mutually agreed to in writing by the Parties. Such Collocation shall be provided pursuant to Verizon's applicable federal and state Tariffs as amended from time to time.

13.2 [Intentionally omitted]

13.3 In the course of implementing a Collocation project, Verizon shall:

- (a) identify the Collocation project manager assigned to the project;
- (b) develop a written comprehensive "critical tasks" timeline detailing the work (and relative sequence thereof) that is to be performed by each Party or jointly by both Parties; and
- (c) provide AT&T with the relevant engineering requirements.

13.4 AT&T shall purchase Cross Connection to Verizon services or facilities as described in Verizon's applicable Tariffs.

13.5 AT&T agrees to provide to Verizon, upon Verizon's request, Collocation of equipment for purposes of Interconnection (pursuant to Section 4) and Cross Connection on non-discriminatory rates, terms and conditions.

13.6 Verizon shall allow AT&T to collocate equipment in a Verizon remote terminal equipment enclosure in accordance with, and subject to, the rates, terms and conditions set forth in applicable Verizon tariffs, as amended from time to time, and Verizon shall do so regardless of whether or not such rates, terms and conditions are effective. Notwithstanding anything else set forth in this Agreement, Verizon shall allow AT&T to collocate equipment in a Verizon remote terminal equipment enclosure in accordance with, but only to the extent required by, Applicable Law.

SECTION 251(b) PROVISIONS

14.0 NUMBER PORTABILITY - SECTION 251(B)(2)

14.1 Scope

The Parties shall provide Number Portability ("NP") in accordance with the requirements of the Act and applicable rules and regulations as from time to time prescribed by the FCC and/or the Commission to the extent such Commission has jurisdiction over the subject matter.

14.2 Procedures for Providing LNP (Long-term Number Portability)

The Parties will follow the LNP provisioning process and procedures recommended by the North American Numbering Council (NANC) and adopted by the FCC, as well as those established by the East Coast Local Number Portability Operations Team. In addition, the Parties agree to follow the NP ordering procedures established at the Ordering and Billing Forum (OBF). The Parties shall provide LNP on a reciprocal basis.

14.2.1 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 Telephone Exchange Service(s) it previously received from Party A, in conjunction with the Telephone Exchange Service(s) it will now receive from Party B. After Party B has received appropriate authorization in accordance with Applicable Law from an end user customer and sends an LSR to Party A, Parties A and B will work together to port the customer's telephone number(s) from Party A's network to Party B's network. It is Party B's responsibility to maintain a file of all such authorizations and Party A may request, upon reasonable notice, verification of the applicable authorization.

14.2.2 14.2.2 When a telephone number is ported out of Party A's network, Party A will remove any non-proprietary line based calling card(s) associated with the ported number(s) from its Line Information Database ("LIDB"). Reactivation of the line-based calling card in another LIDB, if desired, is the responsibility of Party B or Party B's customer.

14.2.3 When a customer of Party A ports their telephone numbers to Party B and the customer has previously secured a reservation of line numbers from Party A for possible activation at a future point, these reserved but inactive numbers may be ported along with the active numbers to be ported provided the numbers have been reserved for the customer. Party B may request that Party A port all reserved numbers assigned to the customer or that Party A port only those numbers listed by Party B. As long as Party B maintains reserved but inactive numbers ported for the customer, Party A shall not reassign those numbers. Party B shall not reassign the reserved numbers to another end user customer.

14.2.4 When a customer of Party A ports their telephone numbers to Party B, in the process of porting the customer's telephone numbers, Party A shall implement the unconditional trigger feature where it is available. When Party A receives the porting request, the unconditional trigger shall be applied to the customer's line before the due date of the porting activity. When the unconditional trigger is not available, Party A and Party B must coordinate the disconnect activity.

14.2.5 The Parties shall furnish each other with the Jurisdiction Information Parameter (JIP) in the Initial Address Message (IAM), containing a Local Exchange Routing Guide (LERG)-assigned NPA-NXX (6 digits) identifying the originating switch on calls originating from LNP capable switches.

14.2.6 Where LNP is commercially available, the NXXs in the office shall be defined as portable, except as noted in 14.2.7, and translations will be changed in the Parties' switches to open those NXXs for database queries in all applicable LNP capable offices within the LATA of the given switch(es). On a prospective basis, all newly deployed switches will be equipped with LNP capability and so noted in the LERG.

14.2.7 All NXXs assigned to LNP capable switches are to be designated as portable unless a NXX(s) has otherwise been designated as non-portable. Non-portable NXXs include NXX codes assigned to paging, cellular and wireless services; codes assigned for internal testing and official use and any other NXX codes required to be designated as non-portable by the rules and regulations of the FCC. NXX codes assigned to mass calling on a choked network may not be ported using LNP technology but are portable using methods established by the NANC and adopted by the FCC. On a prospective basis, newly assigned codes in switches capable of porting shall become commercially available for porting with the effective date in the network.

14.2.8 Both Parties' use of LNP shall meet the performance criteria specified by the FCC. Both Parties will act as the default carrier for the other Party in the event that either Party is unable to perform the routing necessary for LNP.

14.2.9 AT&T and Verizon may mutually agree to additional or different terms for the use of the LRN unconditional trigger.

14.3 Procedures for Providing NP Through Full NXX Code Migration

Where a Party has activated an entire NXX for a single Customer, activated a portion of the NXX for a single customer with the remaining numbers in that NXX reserved for future use by that Customer, or activated at least eighty percent (80%) of an NXX for a single Customer, with the remaining numbers in that NXX unused, if such Customer chooses to receive Telephone Exchange 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. Neither Party shall charge the other in connection with this coordinated transfer.

14.4 Transition from Interim Number Portability (INP) to LNP

To the extent that, notwithstanding the foregoing, LNP is not available with respect to a particular Verizon Central Office, the Parties shall promptly negotiate in good faith terms and conditions governing the provision of Interim Number Portability with respect to such Central Office which shall apply until such time as LNP is available.

14.5 Pricing

Charges and rate application rules for LNP are set forth in Exhibit A.

15.0 DIALING PARITY -- SECTION 251(B)(3)

15.1 Verizon and AT&T shall each provide the other with Dialing Parity, and with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement Dialing Parity, for Telephone Exchange Service, operator

services, directory assistance, and directory listing information, with no unreasonable dialing delays, as required under Section 251(b)(3) of the Act.

16.0 ACCESS TO RIGHTS-OF-WAY -- SECTION 251(B)(4)

To the extent required by Applicable Law and where facilities are available, each Party ("Licensor") shall provide the other Party ("Licensee") access for purposes of making attachments to the poles, ducts, rights-of-way and conduits it owns or controls, pursuant to any existing or future license agreement between the Parties. Such access shall be in conformance with 47 U.S.C. § 224 and on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable Tariffs (including generally available license agreements).

17.0 DATABASES AND SIGNALING

17.1 Subject to the terms and conditions set forth in Section 11.5A above, each Party shall provide the other Party with access to databases and associated signaling necessary for call routing and completion by providing SS7 Common Channel Signaling (CCS) Interconnection in accordance with existing Tariffs and the terms of this Agreement, and Interconnection and access to 8YY databases, LIDB, and any other necessary databases in accordance with existing Tariffs and the terms of this Agreement and/or agreements with other unaffiliated carriers, at the rates set forth in Exhibit A. Alternatively, either Party may secure CCS Interconnection from a commercial SS7 hub provider, and in that case the other Party will permit the purchasing Party to access the same databases as would have been accessible if the purchasing Party had connected directly to the other Party's CCS network. In either case, AT&T shall comply with Verizon's SS7 certification requirements prior to establishing CCS interconnection with Verizon. Within a commercially reasonable period of time after AT&T requests the CCS certification requirements from Verizon with respect to a particular AT&T switch(es), Verizon shall provide AT&T with written updates identifying any material changes to Verizon's SS7 certification requirements since the last SS7 certification conducted by the Parties in the Verizon service territory.

17.2 The Parties will provide CCS Signaling to each other, where and as available, in conjunction with all Reciprocal Compensation Traffic, Toll Traffic, Meet Point Billing Traffic, and Transit Traffic. The Parties will cooperate on the exchange of TCAP messages to facilitate interoperability of CCS-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 CCS Signaling parameters will be provided upon request (where available), including called party number, calling party number, originating line information, calling party category, and charge number. All privacy indicators will be honored. The Parties will follow all Ordering and Billing Forum-adopted standards pertaining to CIC/OZZ codes. AT&T may order in-band multi-frequency (MF) wink start signaling for their trunk groups only where CCS signaling is not available. In such an arrangement, each Party will outpulse the full ten-digit telephone number of the called party to the other Party. MF and CCS signaling trunk groups may not be combined or receive traffic from each other.

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

(a) The Telcordia Technologies document GR-905-CORE, Common Channel Signaling Network Interface Specification (CCSNIS) Supporting Network Interconnection, Message Transfer Part (MTP), and Integrated Services Digital Network (ISDN) User Part (ISUP) provide a detailed description of current industry practices regarding CCS Network architecture, and defines specifications relating to CCS Network Interconnection.

(b) Verizon Supplement Common Channel Signaling Network Interface Specification (Verizon-905) which describes Verizon's specific requirements in providing interface capabilities to ICNs (Interconnecting Networks, i.e., Interexchange, Independent, Reseller, etc.) for connecting to Verizon's CCS network for those capabilities and optional parameters which GR-905-CORE defines as being negotiable between a BOC and the ICN.

The Parties may also utilize other industry documents to assist each of them in their respective interconnection responsibilities related to Signaling.

17.4 Each Party shall charge the other Party rates for CCS signaling, 8YY and access to databases in accordance with the charges set forth in Exhibit A.

18.0 COORDINATED SERVICE ARRANGEMENTS

18.1 Intercept and Referral Announcements

When a Customer changes its service provider from Verizon to AT&T, or from AT&T to Verizon, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides details on the Customer's new number or provide other appropriate information to the extent known. When a Customer changes its local service provider from AT&T to Verizon or from AT&T to a CLEC, where AT&T was providing service to the Customer through unbundled Local Switching, and the Customer does not retain its original telephone number, AT&T shall order the Referral Announcement from Verizon on behalf of the Customer. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer to the extent the providing Party does not charge its own Customers for such service, for the time period required under Applicable Law, but in no event less than six (6) months after the date the Customer changes its telephone number in the case of business Customers and not less than thirty (30) days after the date the Customer changes its telephone number in the case of residential Customers. However, if either Party provides Referral Announcements for different periods 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. The periods for

referral announcement may be shorter if a number shortage condition is in effect for a particular NXX code and any such shorter periods are not precluded by Applicable Law.

18.2 Customer Contact, Coordinated Repair Calls and Misdirected Inquiries

18.2.1 Verizon will recognize AT&T as the customer of record of all Services ordered by AT&T under this Agreement. AT&T shall be the single point of contact for AT&T Customers with regard to all services, facilities or products provided by Verizon to AT&T and other services and products which they wish to purchase from AT&T or which they have purchased from AT&T. Communications by AT&T Customers with regard to all services, facilities or products provided by Verizon to AT&T and other services and products which they wish to purchase from AT&T or which they have purchased from AT&T, shall be made to AT&T, and not to Verizon. AT&T shall instruct AT&T Customers that such communications shall be directed to AT&T.

18.2.2 Requests by AT&T Customers for information about or provision of products or services which they wish to purchase from AT&T, requests by AT&T Customers to change, terminate, or obtain information about, assistance in using, or repair or maintenance of, products or services which they have purchased from AT&T, and inquiries by AT&T Customers concerning AT&T's bills, charges for AT&T's products or services, and, if the AT&T Customers receive dial tone line service from AT&T, annoyance calls, shall be made by the AT&T Customers to AT&T, and not to Verizon.

18.2.3 AT&T and Verizon will employ the following procedures for handling misdirected repair calls:

18.2.3.1 AT&T and Verizon will educate their respective Customers as to the correct telephone numbers to call in order to access their respective repair bureaus.

18.2.3.2 To the extent Party A is identifiable as the correct provider of service to Customers that make misdirected repair calls to Party B, Party B will immediately refer the Customers to the telephone number provided by Party A, or to an information source that can provide the telephone number of Party A, in a courteous manner and at no charge. In responding to misdirected repair calls, neither Party shall make disparaging remarks about the other Party, its services, rates, or service quality.

18.2.3.3 AT&T and Verizon will provide their respective repair contact numbers to one another on a reciprocal basis.

18.2.4 In addition to section 18.2.3 addressing misdirected repair calls, the Party receiving other types of misdirected inquiries from the other Party's Customer shall not in any way disparage the other Party.

18.3 Customer Authorization

18.3.1 Without in any way limiting either Party's obligations under Subsection 27.1, each Party shall comply with Applicable Laws with regard to Customer selection of a primary Telephone Exchange Service provider. Until the Commission and/or FCC adopts regulations and/or orders applicable to Customer selection of a primary Telephone Exchange Service provider, each Party shall adhere to the rules and procedures set forth in Section 64.1100 through 1190 of the FCC Rules, 47 CFR § 64.1100 through 1190, in effect on the Effective Date hereof when ordering, terminating, or otherwise changing Telephone Exchange Service on behalf of the other Party's or another carrier's Customers.

18.3.2 In the event either Party requests that the other Party install, provide, change, or terminate a Customer's Telecommunications Service (including, but not limited to, a Customer's selection of a primary Telephone Exchange Service Provider) and (a) fails to provide documentary evidence of the Customer's primary Telephone Exchange Service Provider selection upon reasonable request, or (b) fails to obtain authorization from the Customer for such installation, provision, selection, change or termination in accordance with Applicable Law, then in addition to any other rights or remedies available to the other Party, the requesting Party shall be liable to the other Party for all charges that would be applicable to the Customer for the initial change in the Customer's Telecommunications Service and any charges for restoring the Customer's Telecommunications Service to its Customer-authorized condition, including to the appropriate primary Telephone Exchange Service provider.

18.3.3 Without in any way limiting either Party's obligations under Subsection 27.1, both Parties shall comply with Applicable Laws with regard to Customer Proprietary Network Information, including, but not limited to, 47 U.S.C. § 222. AT&T shall not access (including, but not limited to, through Verizon OSS as defined in Schedule 11), use, or disclose Customer Proprietary Network Information made available to AT&T by Verizon pursuant to this Agreement unless AT&T has obtained any Customer authorization for such access, use and/or disclosure required by Applicable Laws. By accessing, using or disclosing Customer Proprietary Network Information, AT&T represents and warrants that it has obtained authorization for such action from the applicable Customer in the manner required by Applicable Law and this Agreement. AT&T shall, upon reasonable request by Verizon, provide proof of such authorization (including a copy of any written authorization). In the event AT&T makes available an AT&T operations support system for access and use by Verizon, Verizon agrees that the same conditions that apply to AT&T in this Subsection 18.3.3 for accessing, using or disclosing Customer Proprietary Network Information made available to AT&T shall apply to Verizon when accessing, using or disclosing CPNI made available to Verizon.

18.3.4 Verizon shall have the right to monitor and/or audit AT&T's access to and use and/or disclosure of Customer Proprietary Network Information that is made available by Verizon to AT&T pursuant to this Agreement to ascertain whether AT&T is complying with the requirements of Applicable Law and this Agreement with regard to such access, use, and/or disclosure. Verizon may exercise this right to audit once annually upon reasonable written notice to AT&T. Verizon may also employ such

assistance as it deems desirable to conduct such audits (such as an outside auditor) so long as the party providing assistance agrees to be bound by a confidentiality agreement containing terms substantially similar to the terms in Section 28.5 of this Agreement. To the extent permitted by Applicable Law, the foregoing rights shall include, but not be limited to, the right to electronically monitor AT&T's access to and use of Customer Proprietary Network Information that is made available by Verizon to AT&T pursuant to this Agreement. The results of any audit and/or monitoring of AT&T's access to and/or use of CPNI pursuant to this Section 18.3.4 shall be subject to the confidentiality provisions (Section 28.5) of this Agreement and shall not be used by Verizon for any marketing purposes, except as permitted by Applicable Law.

18.3.5 At such time that AT&T provides access to AT&T Customer Proprietary Network Information, AT&T shall have the right to monitor and/or audit Verizon's access to and use and/or disclosure of AT&T's Customer Proprietary Network Information, on the same terms as provided in Section 18.3.4 above.

18.4 Cooperation With Law Enforcement

18.4.1 Each Party may cooperate with law enforcement authorities to the full extent required or permitted by Applicable Law in matters related to services provided by each Party hereunder, including, but not limited to, the production of records; the establishment of new lines or the installation of new services on an existing line in order to support law enforcement operations; and the installation of wiretaps, trap-or-trace devices and pen registers. Neither Party shall have the obligation to inform the other Party nor the other Party's Customers of such law enforcement requests, except to the extent required by Applicable Law. Where a law enforcement request relates to the establishment of new lines (including, but not limited to, lines established to support interception of communications on other lines), or the installation of services on existing lines, either Party may take measures to prevent other LECs from obtaining access to information concerning such lines or services through operations support system interfaces, whenever an appropriate governmental authority so requests. A request that the existence of the lines or services not be disclosed shall be interpreted as including a request to block access to information concerning the lines or services through operations support system interfaces. Neither Party will be liable to any person for any economic harm, personal injury, invasion of any right of privacy, or any other harm, loss or injury, caused or claimed to be caused, directly or indirectly, by actions taken by that Party to block, or by its failure to block, access to information concerning particular lines or services through operations support systems interfaces or otherwise.

18.4.2 Each Party shall bill the appropriate law enforcement agency for these services under its customary practices. Where the law enforcement agency will not reimburse the Party for its compliance with a court order or other request for information, each Party shall be responsible for its own costs associated with compliance or assisting the other Party to comply.

18.4.3 Each Party shall provide the other Party with a Single Point of Contact ("SPOC") with whom to interface on a twenty-four (24) hour, seven (7) day a

week basis on law enforcement issues. A Party may designate a SPOC at one or more centers that such Party utilizes for purposes of law enforcement inquiries.

18.4.4 Where one Party requests the assistance of the other Party in responding to a request from law enforcement authorities, the Parties shall cooperate in responding to such request to the extent permitted by Applicable Law.

18.5 Resolution of Annoyance/Harassing Calls

Each Party will work cooperatively and jointly with the other Party in resolving annoyance/harassing calls to a Party's Customer where the services or information of one or both Parties is needed to resolve the annoyance/harassing calls.

18.6 Customer Credit History

Nothing in this Agreement shall preclude disclosure between the Parties of information on end user customer credit histories consistent with Applicable Law.

19.0 DIRECTORY SERVICES ARRANGEMENTS

Upon request, Verizon will provide certain directory services to AT&T in accordance with the terms as set forth herein. In this Section 19 of this Agreement, references to AT&T Customer's "primary listing" shall mean such Customer's primary name, address, and telephone number, which number falls within the NXX code directly assigned to AT&T or is retained by AT&T on the Customer's behalf pursuant to Number Portability arrangements with Verizon or any other carrier within the geographic area covered in the relevant Verizon directory.

19.1 Directory Listings and Directory Distributions

19.1.1 Verizon will include, at such rates permitted by Applicable Law and as stated in Exhibit A, AT&T's Customer's primary listing in the appropriate "White Pages" directories (residence and business listings) and "Yellow Pages" directories (business listings), as well as in electronic directories in which Verizon's own customers are ordinarily included and directory assistance databases. Verizon will distribute such directories, at such rates permitted by Applicable Law and as stated in Exhibit A, to such Customers, in an identical manner in which it provides those functions for its own Customers. Listings of AT&T's Customers will be interfiled with listings of Verizon's Customers and the Customers of other LECs included in the Verizon directories. Where required, AT&T will pay Verizon such rates permitted by Applicable Law and as stated in Exhibit A for providing, as the case may be, for additional and foreign white page listings and other white pages services for AT&T's Customers. Verizon will not require a minimum number of listings per order.

19.1.2 Upon request by AT&T, Verizon will make available to AT&T a directory list of relevant NXX codes, the close dates, publishing data, yellow page headings and call guide close dates on the same basis as such information is provided to Verizon's own business offices.

19.1.3 AT&T shall provide Verizon with daily listing information on all new AT&T Customers in the format required by Verizon or a mutually-agreed upon industry standard format, at no charge. The information shall include the Customer's name, address, telephone number, the delivery address and number of directories to be delivered, and, in the case of a business listing, the primary business heading under which the business Customer desires to be placed, and any other information necessary for the publication and delivery of directories. AT&T will also provide Verizon with daily listing information showing Customers that have disconnected or terminated their service with AT&T. Verizon will promptly provide AT&T with confirmation of listing order activity, either through a verification report or a query on any listing which was not acceptable.

19.1.4 Verizon will accord AT&T's directory listing information the same level of confidentiality which Verizon accords its own directory listing information, and Verizon shall ensure that access to AT&T's directory listing information will be used solely for the purpose of providing directory services; provided, however, that should it determine to do so, Verizon may use or license information contained in its directory listings for direct marketing purposes so long as the AT&T Customers are not separately identified as such; and provided further that AT&T may identify those of its Customers that request that their names not be sold for direct marketing purposes, and Verizon will honor such requests to the same extent as it does for its own Customers.

19.1.5 Both Parties shall use commercially reasonable efforts to ensure the accurate listing of AT&T Customer listings. At AT&T's request, Verizon shall provide AT&T with a report of all AT&T Customer listings normally no more than ninety (90) days and no less than thirty (30) days prior to the service order close date for the applicable directory. Verizon will process any corrections made by AT&T with respect to its listings, provided such corrections are received prior to the close date of the particular directory. Verizon will provide appropriate advance notice of applicable close dates.

19.1.6 Verizon's liability to AT&T in the event of a Verizon error in or omission of a listing shall not exceed the amount of charges actually paid by AT&T for such listing. In addition, AT&T agrees to take, with respect to its own Customers, all reasonable steps to ensure that its and Verizon's liability to AT&T's Customers in the event of a Verizon error in or omission of a listing shall be subject to the same limitations that Verizon's liability to its own Customers are subject to.

19.1.7 AT&T will adhere to all practices, standards, and ethical requirements of Verizon with regard to listings, and, by providing Verizon with listing information, warrants to Verizon that AT&T has the right to place such listings on behalf of its Customers. Verizon will provide AT&T, upon request, a copy of the Verizon listings standards and specifications manual. AT&T agrees that it will undertake commercially practicable and reasonable steps to attempt to ensure that any business or person to be listed is authorized and has the right (a) to provide the product or service offered, and (b) to use any personal or corporate name, trade name or language used in the listing. In addition, AT&T agrees to release, defend, hold harmless and indemnify

Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever, suffered, made, instituted, or asserted by any person arising out of Verizon's listing of the listing information provided by AT&T hereunder.

19.2 Service Information Pages

Verizon will include all AT&T NXX codes associated with the areas to which each directory pertains, to the extent it does so for Verizon's own NXX codes, in any lists of such codes which are contained in the general reference portions of the directories. AT&T's NXX codes shall appear in such lists in the same manner as Verizon's NXX information. In addition, when AT&T is authorized to, and is offering, local service to end-users located within the geographic region covered by a specific directory, at AT&T's request, Verizon will include in the "Customer Guide" or comparable section of the applicable white pages directories: listings provided by AT&T for AT&T's installation; repair and customer service; and other local service oriented information (including appropriate identifying logo) as agreed to by the Parties. Such contact information shall appear alphabetically by local exchange carrier and in accordance with Verizon's generally applicable policies. AT&T will be responsible for providing the necessary information to Verizon by the applicable close date for the particular directory. Verizon will provide AT&T with the close dates and reasonable notice of any changes in said dates. Verizon shall not charge AT&T for inclusion of this local service oriented information, but reserves the right to impose charges on other information AT&T may elect to submit and Verizon may elect to accept for inclusion in Verizon's white pages directories.

19.3 Directory Publication

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

19.4 Other Directory Services

AT&T acknowledges that if AT&T desires directory services in addition to those described herein, such additional services must be obtained under separate agreement with Verizon's directory publishing company.

19.5 Directory Assistance (DA) and Operator Services (OS)

19.5.1 Either Party may request that the other Party provide the requesting Party with nondiscriminatory access to the other Party's directory assistance services (DA), IntraLATA operator call completion services (OS) and/or directory assistance listings database. If either Party makes such a request, the Parties shall enter into a mutually acceptable written agreement for such access.

19.5.2 AT&T shall arrange, at its own expense, the trunking and other facilities required to transport traffic to and from the designated DA and OS switch locations.

20.0 RATES AND CHARGES; ASSURANCE OF PAYMENT

20.1 Except as provided in Sections 11.0, 20.2 and 20.3 hereof, the rates and charges set forth in Exhibit A hereto shall apply to the services, facilities, and arrangements provided hereunder.

20.2 Where there is an applicable Tariff, the rates and charges contained in that Tariff shall apply and prevail over the rates and charges shown in Exhibit A for the same services, facilities or arrangements; provided, however, that AT&T may not charge Verizon a rate higher than the Verizon rates and charges for the same services, facilities and arrangements. The rates and charges set forth in Exhibit A shall be superseded by any new rate or charge when such new rate or charge is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect, provided such new rates or charges are not subject to a stay issued by any court of competent jurisdiction; provided further that AT&T may not charge Verizon a rate higher than the Verizon rates and charges for the same services, facilities and arrangements.

20.3 Upon request by Verizon, AT&T shall, at any time and from time to time, provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder. Assurance of payment of charges may be requested by Verizon if AT&T (a) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, (b) fails to timely pay a bill rendered to AT&T by Verizon, (c) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, does not have established credit with Verizon or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding. Unless otherwise agreed by the Parties, the assurance of payment shall, at Verizon's option, consist of (i) a cash security deposit in U.S. dollars held in an account by Verizon or (ii) an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon, in either case in an amount equal to two (2) months anticipated charges (including, without limitation, both recurring and non-recurring charges), as reasonably determined by Verizon, for the services, facilities or arrangements to be provided by Verizon to AT&T in connection with this Agreement. To the extent that Verizon opts for a cash deposit, the Parties intend that the provision of such deposit shall constitute the grant of a security interest pursuant to Article 9 of the Uniform Commercial Code as in effect in any relevant jurisdiction. If required by an applicable Verizon Tariff or by Applicable Law, interest will be paid on any such deposit held by Verizon at the higher of the stated interest rate in such Tariff or in the provisions of Applicable Law. Verizon may (but is not obligated to) draw on the letter of credit or funds on deposit in the account, as applicable, upon notice to AT&T in respect of any amounts billed hereunder that are not paid within thirty (30) days of the date of the applicable statement of charges prepared by Verizon. The fact that a security deposit or a letter of credit is requested by Verizon

hereunder shall in no way relieve AT&T from compliance with Verizon's regulations as to advance payments and payment for service, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of service for nonpayment of any sums due to Verizon for the services, facilities or arrangements rendered.

21.0 INSURANCE

21.1 Each Party shall secure and maintain at its expense during the term of this Agreement all insurance and/or bonds required to satisfy its obligations under this Agreement (including, without limitation, its obligations set forth in Section 24 hereof) and all insurance and/or bonds required by Applicable Law. At a minimum and without limiting the foregoing covenant, each Party shall maintain the following insurance:

(a) Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least \$2,000,000 combined single limit for each occurrence.

(b) Commercial Automobile Liability insurance covering all owned, non-owned and hired vehicles for a minimum combined single limit of \$1,000,000 per occurrence,

(c) Excess Liability, in umbrella form, with limits of at least \$10,000,000 for each occurrence.

(d) Worker's Compensation Insurance as required by Applicable Law and Employer's Liability Insurance with limits of not less than \$2,000,000 per occurrence.

21.2 AT&T shall name Bell Atlantic Corporation and Verizon as additional insureds on the foregoing insurance, except with respect to Workers' Compensation Insurance.

21.3 All insurers must be licensed to do business in the state in which the work is to be performed and/or services rendered, and must have an A.M. Best Rating AX or better. AT&T shall, within two (2) weeks of the date hereof and on a semi-annual basis thereafter, furnish ACORD certificates or other proof of the foregoing insurance acceptable to Verizon. The certificates or other proof of the foregoing insurance shall be sent to: Director - Interconnection Services; Verizon Wholesale Markets; 1095 Avenue of the Americas; Room 1423; New York, NY 10036. In addition, AT&T shall require its agents, representatives, and contractors, if any, that may enter upon the premises of Verizon or Verizon's affiliated companies to maintain similar and appropriate insurance and, if requested, to furnish Verizon certificates or other adequate proof of such insurance acceptable to Verizon. Certificates furnished by AT&T or AT&T's agents, representatives, or contractors shall contain a clause stating: "Verizon New York Inc. shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."

21.4 No Limitation. Each Party is responsible for determining whether the above minimum insurance coverages are adequate to protect its interests. The above minimum coverages do not constitute limitations upon either Party's liability.

21.5 Verizon and AT&T agree that each Party may satisfy the requirements of this Section 21 through self-insurance; provided that, upon request from one Party to the self-insuring Party, the self-insuring Party shall provide to the requesting Party a letter of self insurance or other documentation of self insurance satisfactory to the requesting Party.

21.6 Upon request from AT&T, Verizon shall provide a certificate of insurance or other acceptable proof of the foregoing insurance which shall be sent to: [AT&T name and address].

22.0 TERM AND TERMINATION; DEFAULT

22.1 This Agreement shall be effective as of the date first above written and, unless terminated earlier in accordance with the terms hereof, shall continue in effect until MM/DD, 2004 (the "Initial Term"), and thereafter the Agreement shall continue in force and effect on a month-to-month basis unless and until terminated as provided herein.

22.2 [Intentionally deleted]

22.3 Either AT&T or BA may terminate this Agreement, effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term, by providing written notice of termination at least ninety (90) days, but not greater than nine (9) months, in advance of the date of termination. In the event of such termination, if neither Party has requested renegotiation of a successor interconnection agreement pursuant to Section 22.4, the service arrangements made available under this Agreement and existing at the time of termination shall, unless otherwise agreed to by the Parties, continue without interruption under (a) standard Interconnection terms and conditions approved and made generally effective by the Commission, (b) Tariff terms and conditions generally available to CLECs or (c) if none of the above is available, under the terms of this Agreement on a month-to-month basis until such time as a new agreement is entered into, or if no agreement is entered into, until (a) or (b) becomes available.

22.4 AT&T (i) may make, at its option, nine (9) months prior to the expiration of the Initial Term, or (ii) shall make, at BA's request, but no earlier than nine (9) month prior to the end of the Initial Term, a written request to BA to renegotiate the terms of this Agreement pursuant to Section 251(c)(1) of the Act ("Request for Renegotiation"). The date of receipt of such Request for Renegotiation shall be the "Renegotiation Request Date". Any such Request for Renegotiation shall be deemed by both Parties to be notice of termination of this Agreement and a good faith request for Interconnection pursuant to Section 252 of the Act (or any successor provision). The terms and conditions of this Agreement shall remain in effect during the period of renegotiations; provided, however,

if the Parties do not execute a new interconnection agreement within one hundred and sixty (160) days after the Renegotiation Request Date, the terms and conditions of this Agreement shall continue in full force and effect only if AT&T files an arbitration petition pursuant to Section 252(b) of the Act, in which case, this Agreement shall remain in effect until the Parties execute a successor agreement.

22.4.1 If either Party defaults in the payment of any amount due hereunder, except for amounts subject to a bona fide dispute pursuant to Section 28.9 hereof with respect to which the disputing party has complied with the requirements of Section 28.9 in its entirety or if either Party materially violates any other material provision of this Agreement, and such default or violation shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement or suspend the provision of any or all services hereunder by providing written notice to the defaulting Party. At least twenty-five (25) days prior to the effective date of such termination or suspension, the other Party must provide the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice of its intention to terminate the Agreement or suspend service if the default is not cured. Notice shall be posted by overnight mail, return receipt requested. If the defaulting Party cures the default or violation within the sixty (60) day period, the other Party shall not terminate the Agreement or suspend service provided hereunder but shall be entitled to recover all reasonable costs, if any, incurred by it in connection with the default or violation, including, without limitation, costs incurred to prepare for the termination of the Agreement or the suspension of service provided hereunder.

22.4.2 If a good faith dispute arises between the Parties as to whether the breaching Party has materially violated a material provision of this Agreement (other than an obligation to make payment of any amount billed under this Agreement, in which case, Section 28.9 shall apply) and the dispute resolution process identified in Section 28.11 applies to the subject matter of such dispute, the alleged breach or violation shall not constitute cause for termination of this Agreement or suspension of the provision of services hereunder, if: (a) within thirty (30) days of the date that the other Party gives the breaching Party written notice of such alleged breach or violation, the breaching Party gives the other Party written notice of the dispute, including the basis therefor, and initiates the process for resolution of disputes identified in Section 28.11; (b) the breaching Party complies with and completes the process identified in Section 28.11 for resolution of the dispute; and, (c) within thirty (30) days after the completion of such process for resolution of the dispute identified in Section 28.11 (or such longer period as may be agreed to by the Parties or allowed pursuant to the dispute resolution process), the breaching Party cures any breach that has been determined in the dispute resolution process to have occurred, and takes any other action to resolve the dispute agreed upon by the Parties or as directed in accordance with the dispute resolution process. The existence of such a dispute shall not relieve the breaching Party of its duty to otherwise comply with this Agreement and to perform all of its other obligations under this Agreement.

23.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FACILITIES OR ARRANGEMENTS PROVIDED HEREUNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM ANY OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

24.0 INDEMNIFICATION

24.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party ("Indemnified Party") from and against any and all Losses that arise out of bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the negligent or otherwise tortious acts or omissions in connection with this Agreement of the Indemnifying Party, or the directors, officers, employees, agents, or contractors (excluding the Indemnified Party), of the Indemnifying Party.

24.2 Nothing in Section 24.0 shall affect or limit any claims, remedies, or other actions the Indemnifying Party may have against the Indemnified Party under this Agreement, any other contract, any applicable Tariff(s), or Applicable Law, relating to the Indemnified Party's provision of services, facilities or arrangements to the Indemnifying Party under this Agreement.

24.3 An Indemnifying Party's obligation to indemnify, defend and hold harmless the Indemnified Party as provided in this Section 24.0 shall be conditioned upon the following:

a) The Indemnified Party shall promptly notify the Indemnifying Party of any action taken against the Indemnified Party relating to the Indemnifying Party's obligations under this Section 24.0. However, the failure to give such notice shall release the Indemnifying Party from its obligations under this Section 24.0 only to the extent the failure to give such notice has prejudiced the Indemnifying Party.

b) The Indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the Indemnified Party may engage separate legal counsel only at the Indemnified Party's sole cost and expense.

c) In no event shall the Indemnifying Party settle or consent to any judgment in an action without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld. However, in the event the settlement or judgment requires a contribution from or affects the rights of the Indemnified Party, the Indemnified Party shall have the right to refuse such settlement or judgment and, at its own cost and expense, take over the defense against such Loss, provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to

indemnify the Indemnified Party against, the Loss for any amount in excess of such refused settlement or judgment.

d) The Indemnified Party shall, in all cases, assert any and all provisions in its Tariffs that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

e) The Indemnified Party shall offer the Indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

24.4 Each Party agrees that it will not implead or bring any action against the other Party or its affiliates, or any of their respective directors, officers, agents or employees, based on any claim by any person for personal injury or death that occurs in the course or scope of employment of such person by the other Party and that arises out of performance of this Agreement.

24.5 In addition to its other obligations under this Section 24.0, each Party shall, to the extent allowed by Applicable Law, provide in its Tariffs and contracts with its Customers, that, except for gross negligence or willful misconduct, in no case shall such Party or any of its agents, contractors or others retained by such Party be liable to any Customer or third party for (i) any loss relating to or arising out of the services, facilities or arrangements obtained or provided under 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) Consequential Damages.

24.6 Notwithstanding any other provision of this Agreement, with respect to Verizon's provision of Line Sharing to AT&T hereunder, each Party shall release, indemnify, defend and hold harmless the other Party for any Loss suffered, made, instituted, or asserted by the other Party's Customer(s) that arise from disruptions to that Customer's service or from any violation of Applicable Law governing the privacy of the Customer's communications, and that are proximately caused by the grossly negligent or willful acts or omissions of the Indemnifying Party in connection with a Line Sharing arrangement.

25.0 LIMITATION OF LIABILITY

25.1 As used in this Section 25, "Service Failure" means a failure to comply with a direction to install, restore or terminate services, facilities, or arrangements ("Services") under this Agreement, a failure to provide Services under this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any Services under this Agreement.

25.2 Except as otherwise stated in Section 25.5, the liability, if any, of a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, to the other Party, the other Party's Customers, and to any other person, for Claims arising out of a Service Failure shall not exceed an amount equal to the pro rata

applicable monthly charge for the Services that are subject to the Service Failure for the period in which such Service Failure occurs.

25.3 Except as otherwise stated in Section 25.5, a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, shall not be liable to the other Party, the other Party's Customers, or to any other person, in connection with this Agreement (including, but not limited to, in connection with a Service Failure or any breach, delay or failure in performance, of this Agreement) for special, indirect, incidental, consequential, reliance, exemplary, punitive, or like damages, including, but not limited to, damages for lost revenues, profits or savings, or other commercial or economic loss, even if the person whose liability is excluded by this Section has been advised of the possibility of such damages.

25.4 The limitations and exclusions of liability stated in Sections 25.1 through 25.3 shall apply regardless of the form of a claim or action, whether statutory, in contract, warranty, strict liability, tort (including, but not limited to, negligence of a Party), or otherwise.

25.5 Nothing contained in Sections 25.1 through 25.4 shall exclude or limit liability:

25.5.1 under Sections 24, Indemnification or 28.7, Taxes.

25.5.2 for any obligation to indemnify, defend and/or hold harmless that a Party may have under this Agreement.

25.5.3 for damages arising out of or resulting from bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, or Toxic or Hazardous Substances, to the extent such damages are otherwise recoverable under Applicable Law;

25.5.4 for a claim for infringement of any patent, copyright, trade name, trade mark, service mark, or other intellectual property interest;

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

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

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

25.7 Each Party shall, in its tariffs and other contracts with its Customers, provide that in no case shall the other Party, the other Party's Affiliates, or the directors,

officers or employees of the other Party or the other Party's Affiliates, be liable to such Customers or other third-persons for any special, indirect, incidental, consequential, reliance, exemplary, punitive or other damages, arising out of a Service Failure.

25.8 For purposes of this Agreement, "Claims" shall mean any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including, but not limited to court costs), and expenses (including, but not limited to, reasonable attorney's fees).

26.0 SERVICE QUALITY MEASUREMENT REPORTS, STANDARDS AND REMEDIES

26.1 Verizon shall provide services, facilities and arrangements under this Agreement in accordance with the performance standards required by Applicable Law, including, but not limited to, Section 251(c) of the Act.

26.2 To the extent required by Applicable Law, Verizon shall provide performance measurement reports and remedies payments to AT&T in accordance with the Performance Assurance Plan filed by Verizon with the Commission pursuant to the Commission's orders in the proceeding [CITE NY Carrier-to-Carrier] (and successor proceedings before the Commission), as such Performance Assurance Plan may be modified from time-to-time.

26.3 AT&T shall provide services, facilities and arrangements under this Agreement in accordance with the performance standards required by Applicable Law.

27.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL

27.1 Each Party shall remain in compliance with all Applicable Law in the course of performing this Agreement. Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

27.2 Each Party shall reasonably cooperate with the other in obtaining and maintaining any required regulatory approvals for which the Party is responsible in connection with the performance of its obligations under this Agreement.

27.3 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, subject to the rights of the Parties to appeal or challenge arbitrated provisions or arbitration decisions. The Parties also 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, the FCC or any court 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).

27.4 In the event that any legislative, regulatory, judicial or other legal action materially affects any material term of this Agreement or the rights or obligations of

either AT&T or Verizon hereunder or the ability of AT&T or Verizon to perform any material provision hereof, , the Parties shall renegotiate in good faith such affected provisions with a view toward agreeing to acceptable new terms as may be required or permitted as a result of such legislative, regulatory, judicial or other legal action. Either Party may request such renegotiation by written notice to the other Party. The Parties shall thereafter renegotiate in good faith such mutually acceptable new or revised terms as may be required. Unless otherwise agreed to by the Parties, if, within sixty (60) days of the receipt of the request for renegotiation, the Parties have not agreed on mutually acceptable new or revised terms, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction.

27.5 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC as an integral part of Verizon's application pursuant to Section 271(d) of the Act.

27.6 Notwithstanding anything herein to the contrary, if, as a result of any decision, order or determination of any judicial or regulatory authority with jurisdiction over the subject matter hereof, it is determined that Verizon is not required to furnish any service, facility or arrangement, or to provide any benefit required to be furnished or provided to AT&T hereunder, then, unless otherwise agreed to in writing by the Parties, Verizon may discontinue the provision of any such service, facility, arrangement or benefit to the extent permitted by any such decision, order or determination by providing thirty (30) days prior written notice to AT&T unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff or Applicable Law) for termination of such service, in which event such specified period and/or conditions shall apply.

28.0 MISCELLANEOUS

28.1 Authorization

28.1.1 Verizon is a corporation duly organized, validly existing and in good standing under the laws of New York and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

28.1.2 AT&T represents and warrants that it 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.

28.2 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.

28.3 Force Majeure

28.3.1 Neither Party shall be responsible for delays or failures in performance of any part of this Agreement 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: acts of nature, unusually severe weather conditions, riot, sabotage, volcano, military authority, 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; 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 acts or occurrences beyond the Party's reasonable control (any of the foregoing, a "*Force Majeure* Event"). In such event, the nonperforming Party 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 interferences (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The non-performing Party shall use commercially reasonable efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease. Notwithstanding the above, in no case shall a Force Majeure Event excuse either Party from the obligation to pay money when due under this Agreement, nor require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

28.3.2 [Intentionally omitted.]

28.3.3 The Parties shall cooperate to limit the impact of a *Force Majeure* Event. Such cooperation shall include taking such actions as agreed in the Joint Grooming Process and providing notification of a *Force Majeure* Event, if possible and commercially reasonable.

28.4 Good Faith Performance

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

28.5 Confidentiality

28.5.1 Confidential Information means 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, furnished or made available by one Party (the "Disclosing Party") to the other Party (the "Receiving Party"): (i) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," (ii) communicated orally and declared to the Receiving Party at the time of delivery, and by written notice given to the Receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary", or (iii) which contains Customer specific, facility specific, or usage specific information, other than Customer information communicated for the purpose of publication or directory database inclusion (any of the foregoing, "Confidential Information"). Each Party shall have the right to correct an inadvertent failure to identify information as Confidential Information pursuant to (i) above by giving written notification to the Receiving Party within ten (10) days after the information is disclosed. The Receiving Party shall, from that time forward, treat such information as Confidential Information.

28.5.2 Verizon shall not use any information provided by AT&T regarding AT&T's customers for any marketing purpose or disclose such information to anyone in a marketing capacity except to the extent permitted by Applicable Law. Each Party shall keep all of the other Party's Confidential Information confidential in the same manner it holds its own Confidential Information confidential (which in all cases shall be no less than in a commercially reasonable manner) and shall use the other Party's Confidential Information only for the purpose of performing under this Agreement. Neither Party shall use the other Party's Confidential Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing or to enforce its rights hereunder (provided that the Party wishing to disclose the other Party's Confidential Information submits the same to the Commission or courts of competent jurisdiction, as applicable, under a request for a protective order). The Receiving Party agrees to restrict disclosure of the Disclosing Party's Confidential Information to the directors, officers, agents, contractors, and employees of the Receiving Party and the Receiving Party's Affiliates having a need to know the Confidential Information for the purpose of performing under this Agreement. If the Receiving Party wishes to disclose the Disclosing Party's Confidential Information to a third party agent or contractor, such agent or contractor shall be required by the Receiving Party to comply with the provisions of this Section 28.5 in the same manner as the Receiving Party.

28.5.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Confidential Information that:

(a) was, at the time of receipt, already known to the Receiving Party free of any obligation to keep it confidential as evidenced by written records prepared prior to delivery by the Disclosing Party; or

(b) is or becomes publicly known through no wrongful act of or breach of this Agreement by the Receiving Party or the Receiving Party's affiliates, or

the directors, officers, agents, employees, or contractors of the Receiving Party or the Receiving Party's affiliates; or

(c) 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

(d) is independently developed by an employee, agent, or contractor of the Receiving Party that is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Confidential Information; or

(e) is approved for release by written authorization of the Disclosing Party; or

(f) is required to be made public by the Receiving Party pursuant to any governmental authority or by Applicable Law, provided that the Receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement prior to the disclosure of the Confidential Information to the Disclosing Party to enable the Disclosing Party to seek protective orders.

28.5.4 In addition to any requirements imposed by Applicable Law, including, but not limited to, 47 U.S.C. § 222, the Parties shall maintain in confidence all Confidential Information for a period of one (1) year from the date of disclosure of such Confidential Information. Each Party's obligations to safeguard Confidential Information disclosed prior to the expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.

28.5.5 All Confidential Information shall remain the property of the Disclosing Party. Following the expiration or termination of this Agreement and upon request by the Disclosing Party, the Receiving Party shall return or destroy within sixty (60) days of such a request, all Confidential Information, whether written, graphic, electromagnetic or otherwise.

28.5.6 Each Party agrees that the Disclosing Party may be irreparably injured by a breach of this Section 28.5 by the Receiving Party, the Receiving Party's Affiliates, or the directors, officers, employees, agents or contractors of the Receiving Party or the Receiving Party's Affiliates, and that the Disclosing Party may be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 28.5.

28.5.7 The provisions of this Section shall not be construed to be in derogation of, or to constitute a waiver by a Party of, any right with regard to protection of the confidentiality of information of the Party or its customers provided by Applicable Law, including but not limited to 47 U.S.C. Section 222 and any FCC Regulations issued pursuant thereto. Each Party will comply fully with its obligations under Applicable Law (i) to protect the confidentiality of CPNI, and (ii) to disclose CPNI to the other Party.

28.6 Choice of Law

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the United States of America and the laws of the State of New York, except for its conflicts of laws provisions.

28.7 Taxes

28.7.1 In General. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law to be collected from the purchasing Party by the providing Party, then (i) the providing Party, as a separately stated item on the applicable bill, shall properly bill the purchasing Party for such Tax, (ii) the purchasing Party shall timely remit such Tax to the providing Party and (iii) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

28.7.2 The purchasing Party will provide to the providing Party notice of its intent to pay taxes based on receipts ("Receipts Taxes") on services which it provides to end users which services incorporate, resell or otherwise utilize services provided by the providing Party under this agreement.

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

28.7.4 If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Subsection 28.7.1, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such uncollected Tax and (ii) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. Notwithstanding this section 28.7, however, the purchasing Party's liability for uncollected surcharges intended to allow the providing Party to recover tax expense associated with a Receipts Tax imposed upon the providing Party shall not extend beyond the time limitations provided in Section 28.9.2 of this agreement. If the providing Party, in compliance with Applicable Law, properly bills the purchasing Party for a Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Subsection 28.7.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Subsection 28.7.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by the applicable taxing

authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. Except as provided in Subsection 28.7.6, if the purchasing Party fails to pay the Receipts Tax which it has given notice of its intent to pay pursuant to Subsection 28.7.2 then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Subsection 28.7.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, is responsible for because the purchasing party received a discount in price on services attributable to related Tax savings by the providing Party, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

28.7.5 Tax Exemptions and Exemption Certificates. If Applicable Law exempts a purchase hereunder from a Tax, and if such Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Subsection 28.7.6. If Applicable Law exempts, or excludes, a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (i) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption or exclusion, and citing the provision in the Law which allows such exemption or exclusion, and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax.

28.7.6 If any discount or portion of a discount in price provided to the purchasing Party under this Agreement (including, but not limited to, a wholesale discount provided for in Exhibit A) represents Tax savings to the providing Party which it was assumed the providing Party would receive, because it was anticipated that receipts from sales of services (that would otherwise be subject to a Tax on such receipts) could be excluded from such Tax under Applicable Law, either because the services would be

sold (i) for resale or (ii) to a Telecommunications Services provider, and the providing Party is, in fact, required by Applicable Law to pay such Tax on receipts from sales of services to the purchasing Party then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for, and shall indemnify and hold harmless the providing Party against (on an after tax basis), any such Tax and any interest and/or penalty assessed by the applicable taxing authority on either the purchasing Party or the providing Party with respect to the Tax on the providing Party's receipts.

28.7.7 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Subsection 28.7, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Subsection 28.12 as well as to the following:

To Verizon:

Tax Administration
Verizon Network Services, Inc.
1717 Arch Street
30th Floor
Philadelphia, PA 19103

To AT&T:

Tax Vice-President
State and Local Taxes
AT&T Corp.
Room S284
412 Mt. Kemble Avenue
Morristown, New Jersey 07960

Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Subsection 28.7. Any notice or other communication shall be deemed to be given when received.

28.8 Assignment and Delegation

28.8.1 Neither Party may assign this Agreement or any of its rights or interests hereunder, nor delegate any of its obligations under this Agreement, to a third party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, that either Party may assign this Agreement to an affiliate, with the other Party's prior written consent, upon the provision of reasonable evidence by the proposed assignee that it has the resources, ability, and authority to provide satisfactory performance under this Agreement and that the proposed assignee is in good standing with Verizon or AT&T, as applicable. Any assignment or delegation in violation of this subsection 28.8 shall be void and ineffective and constitute a default of this Agreement. For the purposes of this Section, the term "affiliate" shall

mean any entity that controls, is controlled by, or is under common control with the assigning Party.

28.8.2 Transfer of Telephone Operations

28.8.2.1 If Verizon directly or indirectly (including without limitation through a transfer of control or by operation of law) sells, exchanges, swaps, assigns, or transfers ownership or control of all or any portion of Verizon's telephone operations (any such transaction, a "Transfer") to any purchaser, operator or other transferee (a "Transferee"), Verizon shall provide AT&T with at least [TBD] days prior written notice of such Transfer. Verizon shall require in any Transfer that the Transferee thereof shall agree in writing (in form and substance reasonably satisfactory to AT&T), for the benefit of AT&T:

(i) to be bound by all of Verizon's obligations in this Agreement with respect to the portion of Verizon's telephone operations so transferred (the "Transferred Operations"), including but not limited to, any operating agreements, OSS, performance standards, or ancillary or third party arrangements relating to the provision of services under this Agreement;

(ii) to ensure that the Transfer shall have no impact on the operations or functionality of any of the Services provided under this Agreement to AT&T or its end users;

(iii) if the Transferee has an existing interconnection agreement with AT&T or any other entity at the time of the transfer (an "Existing Agreement"), to make available to AT&T the option of having all or any portion of the terms and conditions of any Existing Agreement govern the Transferee's obligations to AT&T with respect to the Transferred Operations in lieu of the corresponding terms and conditions of this Agreement;

(iv) to waive any claim of rural exemption with respect to the Transferred Operations pursuant to Section 251(f) of the Act or other applicable law; and

(v) to engage in good faith negotiations with AT&T prior to the expiration of any interconnection agreement governing the Transferred Operations.

28.8.2.2 Verizon shall guarantee the Transferee's performance under this Section 28.8.2.

28.9 Billing and Payment; Disputed Amounts

28.9.1 Except as may otherwise be provided in this Agreement, each Party shall submit on a monthly basis an itemized statement of charges incurred by the other Party during the preceding month(s) for services rendered hereunder. Payment of billed amounts under this Agreement, whether billed on a monthly basis or as otherwise

provided herein, shall be due, in immediately available U.S. funds, within thirty (30) days of the date of such statement unless the billed Party is able to establish that the bill was not timely received (i.e., at least twenty (20) days prior to the payment date) in which case the payment date shall be twenty (20) calendar days from the receipt of the bill. If such payment date would cause payment to be due on a Saturday, Sunday or Legal Holiday, payment for such bills will be due from the billed Party as follows: (i) if such payment date falls on a Sunday or on a Legal Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Legal Holiday; (ii) if such payment date falls on a Saturday or on a Legal Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Legal Holiday. For purposes of this section, a "Legal Holiday" is defined as a day other than Saturday or Sunday on which Verizon is normally closed.

28.9.2 Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion. Upon request by either Party, the Parties shall participate in good faith negotiations to establish bill closure procedures unless, at the time of such request, an industry forum has been established to address such requested bill closure, in which event each of the Parties shall participate in such forum.

28.9.3 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 Amount") and include in such notice the specific details and reasons for disputing each item. Subject to Section 28.9.3.1 below, the Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) [AT&T take back] all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties. Nothing herein shall limit the time under Applicable Law within which either Party may dispute any bill, it being understood that payment of any amounts under this Section, unless otherwise indicated, does not constitute a waiver of either Party's rights under Applicable Law to contest its obligation to pay any amounts allegedly owed under this Agreement.

28.9.3.1 The Non-Paying Party shall not be required to place a Disputed Amount in escrow, as required by Section 28.9.3 above, if the Non-Paying Party: (a) does not have a proven history of late payments; (b) has established a minimum of twelve (12) consecutive months good credit history with the Billing Party (prior to the date it notifies the Billing Party of its current billing dispute); and (c) has not disputed more than three (3) previous monthly invoices within the twelve (12) months

immediately preceding the date the Non-Paying Party notifies the Billing Party of its current Disputed Amount.

28.9.4 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 Amount, each of the Parties shall appoint a designated representative that has authority to settle the dispute and that 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.

28.9.5 If the Parties are unable to resolve issues related to the Disputed Amount within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Subsection 28.9.4, or if either Party fails to appoint a designated representative within thirty (30) days of the end of the sixty (60) day period referred to Section 28.9.4, then either Party may pursue Dispute Resolution pursuant to Section 28.11, if applicable, file a complaint with the Commission to resolve such issues, or proceed with any other remedy pursuant to law or equity.

28.9.6 The Parties agree that all negotiations pursuant to this Subsection 28.9 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.

28.9.7 Charges which are not paid by the due date stated on a Party's bill shall be subject to a late payment charge. The late payment charge shall be an amount specified by the Billing Party which shall not exceed a rate of one and one half percent (1 1/2%) of the overdue amount (including any unpaid previously billed late payment charges) per month. If the Non-Paying Party disputes charges in accordance with this Section 28.9, and the dispute is finally resolved in favor of such Party, the Billing Party shall credit the account of the Non-Paying Party for the subject amount (including any applicable late payment charges assessed thereon) finally adjudged in its favor and, if the Non-Paying Party in any case paid to the Billing Party some or all of such subject amount (including any applicable late payment charges assessed thereon) finally adjudged in its favor, the Billing Party shall refund such amount to the Non-Paying Party.

28.10 Audits

28.10.1 Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") books, records, documents, facilities and systems for the purpose of evaluating the accuracy of the Audited Party's bills. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit

found previously uncorrected net inaccuracies in billing in favor of the Audited Party having an aggregate value of at least \$1,000,000.

Unless otherwise mutually agreed to by the Parties, the audit shall be performed by independent certified public accountants selected and paid by the Auditing Party. The accountants shall be reasonably acceptable to the Audited Party. Prior to commencing the audit, the accountants shall execute an agreement with the Audited Party in a form reasonably acceptable to the Audited Party that protects the confidentiality of the information disclosed by the Audited Party to the accountants. The audit shall take place at a time and place agreed upon by the Parties; provided, that the Auditing Party may require that the audit commence no later than sixty (60) days after the Auditing Party has given notice of the audit to the Audited Party.

Each Party shall cooperate fully in any such audit, providing reasonable access to any and all employees, books, records, documents, facilities and systems, reasonably necessary to assess the accuracy of the Audited Party's bills.

Audits shall be performed at the Auditing Party's expense, provided that there shall be no charge for reasonable access to the Audited Party's employees, books, records, documents, facilities and systems necessary to assess the accuracy of the Audited Party's bills.

28.11 Dispute Resolution

28.11.1 Alternative to Litigation.

Except as provided under Section 252 of the Act with respect to the approval of this Agreement and any amendments thereto by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, the Parties agree to use the following alternative dispute resolution procedures as the remedy with respect to any action, dispute, controversy or claim arising out of or relating to this Agreement or its breach, except with respect to the following:

- (1) An action seeking a temporary restraining order or an injunction related to the purposes of this Agreement;
- (2) A dispute, controversy or claim relating to or arising out of a change in law or reservation of rights under the provisions of Section 27 of this Agreement;
- (3) A suit to compel compliance with this dispute resolution process;
- (4) An action concerning the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party;

- (5) An action for fraud;
- (6) A billing dispute equal to or in excess of \$2,000,000.00;
- (7) Any rate or charge within the jurisdiction of the Commission or the FCC; and
- (8) Any term or condition of the (i) Memorandum Opinion and Order, *In the Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp, Transferee, For Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, 12 F.C.C.R. 19985 (1997) or (ii) *Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferor*, Memorandum Opinion and Order, CC Docket No. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Order).
- (9) Any dispute appropriately before the Commission pursuant to a Commission-mandated dispute resolution process, if any.

Any such actions, disputes, controversies or claims may be pursued by either Party before any court, commission or agency of competent jurisdiction. Additionally, AT&T hereby waives its rights to submit disputes in accordance with the alternative dispute resolution mediation process implemented by BA pursuant to paragraph 40 and Attachment F of the Merger Order.

28.11.2 Negotiations.

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

28.11.3 Arbitration.

Except for those disputes identified in section 28.11.1(1) through 28.11.1(8), if the negotiations do not resolve the dispute within sixty (60) days of the initial written request, the dispute may be submitted by either Party or both Parties (with a copy provided to the other Party) to the Commission for arbitration pursuant to section 252 of the Act. The Commission shall assign the dispute to a single arbitrator selected by the Parties pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), hereinafter referred to as the AAA Rules, to which body the Parties hereby agree to submit the dispute pursuant to the AAA Rules, except that the Parties may select an arbitrator outside AAA Rules upon mutual agreement. Neither Party waives any rights it may otherwise have under Section 252 of the Act by agreeing to allow the Commission to assign the dispute to an arbitrator selected by the Parties. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section, unless otherwise prohibited by the AAA Rules. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of twenty-five (25) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. The written opinion of the arbitrator shall not be enforceable in any court having jurisdiction over the subject matter until the Commission, pursuant to section 28.11.7 below, has issued an Order adopting or modifying the arbitrator's written opinion.

28.11.4 Expedited Arbitration Procedures.

If the issue to be resolved through the negotiations referenced in Section 28.11.2 directly and materially affects service to either Party's end-user Customers or the amount subject to a billing dispute is \$2,000,000 or less, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration pursuant to the process outlined in Section 28.11.3 above, the arbitration shall be conducted pursuant to the expedited procedures rules of the AAA Rules (i.e., rules 53 through 57).

28.11.5 Costs.

Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitrator.

28.11.6 Continuous Service.

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations, including making payments in accordance with and as required by this Agreement.

28.11.7 Commission Order.

28.11.7.1 Within thirty (30) days of the arbitrator's decision, the Parties shall submit that decision to the Commission for review. Each Party shall also submit its position on the arbitrator's decision in a statement not to exceed ten (10) pages as to whether the Party agrees to be bound by it or seeks to challenge it. The Commission shall accept or modify the arbitrator's decision within thirty (30) days of its receipt and issue an Order accordingly pursuant to Section 252 of the Act; provided, however, if the Commission does not issue an Order accepting or modifying the arbitrator's decision within thirty (30) days of its receipt, the arbitrator's decision shall be deemed an Order of the Commission pursuant to Section 252 of the Act. The Order of the Commission shall become final and binding on the Parties, except as provided in Section 28.11.7.2 below.

28.11.7.2 Either Party may seek timely review of the Commission Order rendered above pursuant to Section 252(e)(6) of the Act. The Parties agree to waive any objection to the federal court's jurisdiction over the subject matter.

28.12 Notices

Except as otherwise provided in this Agreement, 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 (with a follow up copy promptly sent by first class mail) to the following addresses of the Parties:

To AT&T:

AT&T Corp.
3033 Chain Bridge Road, Suite D325
Oakton, VA 22185
Attn: Regional Vice President
Facsimile: (703) 277-7902

with a copy to:

AT&T Corp.
32 Avenue of the Americas
New York, N.Y. 10013
Attn: Regional V.P. – Law and Government Affairs
Facsimile: (212) 387-5613

To Verizon:

Director - Contract Performance & Administration
Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Facsimile: 972/719-1519
Telephone Number: 972-718-5988

with a copy to:

Vice President and Associate General Counsel – Telecom
1320 N. Court House Road
8th Floor
Arlington, VA 22201
Facsimile: 703/974-0744

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.

28.13 252(i) Obligations

28.13.1 To the extent required by Applicable Law, each Party shall comply with Section 252(i) of the Act and Appendix D, Sections 30 through 32, of the Merger Order ("Merger Order MFN Provisions").

28.13.2If AT&T wishes to exercise any rights it may have under Section 252(i), AT&T shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with Section 252(i), the Parties shall amend this Agreement in writing to appropriately reflect the Interconnection, services, and Network Elements, that AT&T has elected to adopt pursuant to Section 252(i).

28.13.3If AT&T wishes to exercise any rights it may have under the Merger Order MFN Provisions, AT&T shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with the Merger Order MFN Provisions, the Parties shall amend this Agreement in writing to appropriately reflect the interconnection arrangements or unbundled Network Elements, that AT&T has elected to adopt pursuant to the Merger Order MFN Provisions.

28.13.4To the extent that the exercise by AT&T of any rights it may have under Section 252(i) or the Merger Order MFN Provisions results in the rearrangement of Services by Verizon, AT&T shall be solely liable for all costs associated therewith, as well as for any termination charges associated with the termination of existing Verizon Services.

28.14 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.

28.15 No Third Party Beneficiaries; Disclaimer of Agency

This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed 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, expressed 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.

28.16 No Licenses

28.16.1Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trade mark, service mark, trade secret, or any other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other

intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.

28.16.2 Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

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

28.16.4 AT&T acknowledges that services and facilities to be provided by Verizon hereunder may use or incorporate products, services or information proprietary to third party vendors and may be subject to third party intellectual property rights. In the event that proprietary rights restrictions in agreements with such third party vendors do not permit Verizon to provide to AT&T, without additional actions or costs, particular unbundled Network Element(s) otherwise required to be made available to AT&T under this Agreement, then, as may be required by Applicable Law:

a) Verizon agrees to notify AT&T, directly or through a third party, of such restrictions that extend beyond restrictions otherwise imposed under this Agreement or applicable Tariff restrictions ("Ancillary Restrictions"); and

b) Verizon shall use its best efforts, as commercially practical, to procure rights or licenses to allow Verizon to provide to AT&T the particular unbundled Network Element(s), on terms comparable to terms provided to Verizon, directly or on behalf of AT&T ("Additional Rights/Licenses"). Costs associated with the procurement of Additional Rights/Licenses shall be recovered as agreed by the Parties and, absent such agreement, pursuant to the dispute resolution procedures set forth in this Agreement.

28.17 Technology Upgrades

Notwithstanding any other provision of this Agreement, each Party shall have the right to deploy, upgrade, migrate and maintain its network at its discretion. Nothing in this Agreement shall limit Verizon's ability to modify its network through the incorporation of new equipment, new software or otherwise, and AT&T shall be solely responsible for the cost and effort of accommodating such changes in its own network.

28.18 Survival

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement (including, without limitation, the obligation to pay amounts owed hereunder (to include indemnification obligations) and the obligation to protect the other Party's Confidential or Proprietary Information) shall survive the termination or expiration of this Agreement.

28.19 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 relate to the subject matter of this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications unless the document otherwise comports with Section 28.21.

28.20 Counterparts

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

28.21 Modification, Amendment, Supplement, or Waiver

No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

28.22 Successors and Assigns

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

28.23 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; provided, however, that nothing herein shall be deemed to preclude either Party from engaging in lawful comparative advertising.

28.24 Severability

If any provision of this Agreement shall be invalid or unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.

28.25 Subcontracting

If any obligation under this Agreement is performed through a subcontractor, the subcontracting Party shall remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations it performs through the subcontractor. The subcontracting Party shall be solely responsible for payments due its subcontractors. Except as may be specifically set forth in this Agreement, no subcontractor shall be deemed a third party beneficiary for any purposes under this Agreement.

28.26 [Intentionally deleted]

28.27 CLEC Certification

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as AT&T has obtained a Certificate of Public Convenience and Necessity (CPCN) or such other Commission authorization as may be required by law as a condition for conducting business in New York as a local exchange carrier.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

AT&T COMMUNICATIONS
OF PENNSYLVANIA, INC.

VERIZON PENNSYLVANIA, INC.

By: _____

Printed: Bruce W. Cooper

Title: Regional Vice President

By: _____

Printed: Jeffrey Masoner

Title: Vice President,
Wholesale Markets

Schedule 5.6

Bills

1. Issuance of Bills - General

1.1 Verizon and AT&T will issue all bills in accordance with the terms and conditions set forth in this Agreement. Verizon and AT&T will establish monthly billing dates ("Bill Date") for each Billing Account Number ("BAN"), which Bill Date shall be the same day month to month. Each BAN shall remain constant from month to month, unless changed as agreed to by the parties. Each Party shall provide the other Party at least thirty (30) calendar days written notice prior to changing, adding or deleting a BAN. The Parties will provide one billing invoice associated with each BAN.

1.2 [Intentionally deleted]

1.3 Each Party will provide the other Party written notice of which bills are to be deemed the official bills to assist the Parties in resolving any conflicts that may arise between the official bills and other bills received via a different media which purportedly contain the same charges as are on the official bill. If either Party requests an additional copy(ies) of a bill, such Party shall pay the other Party a reasonable fee per additional bill copy, unless such copy was requested due to errors, omissions, or corrections or the failure of the transmission to comply with the specifications set forth in this Agreement.

1.4 AT&T and Verizon shall provide each other reasonable notice if a billing transmission is received and cannot be processed. Such transmission shall be corrected and resubmitted to the other Party, at the resubmitting Party's sole expense, in a form that can be processed. If the fault in the transmission is due to an error by the billing Party, the payment due date for such resubmitted transmission(s) will be thirty (30) days from the date of the corrected transmission.

2. Electronic Transmissions

2.1 Verizon and AT&T agree that each Party will transmit billing information and data in CABS:BOS format electronically via Connect:Direct to the other Party at the location specified by such Party. The parties agree that a T1.5 or 56kb circuit for Connect: Direct is required. AT&T data centers will be responsible for originating the calls for data transmission via switched 56kb or T1.5 lines. If Verizon has an established Connect: Direct link with AT&T, that link can be used for data transmission if the location and applications are the same for the existing link. Otherwise, a new link for data transmission must be established. Verizon must provide AT&T its Connect: Direct Node ID and corresponding VTAM APPL ID before the first transmission of data via Connect:Direct. AT&T will supply to Verizon its RACF ID and password before the first transmission of data via Connect:Direct. Each Party shall provide to the other Party, in written form, all applicable dataset format information. Any changes to either Party's Connect: Direct Node ID must be sent to the other Party no later than twenty-one (21) calendar days before the changes take effect.

3. **Tape or Paper Transmissions**

3.1 In the event that electronic transmission of billing information and data via Connect:Direct is unavailable due to service outage, or as otherwise mutually agreed to by the Parties, the Parties will transmit billing information and data to each other via cartridge tape, paper or such other medium as agreed to by AT&T and Verizon for the duration of the service outage. Within a reasonable time period following service restoration, electronic transmission of billing information and data via Connect:Direct shall resume. Each Party shall notify the other Party of the correct billing address(es).

4. **Testing Requirements**

4.1 At least fifteen (15) days prior to either Party sending the other Party a mechanized bill for the first time via electronic transmission, or at least fifteen (15) days prior to changing mechanized formats, Verizon shall send to AT&T bill data in the appropriate mechanized format for testing to ensure that the bills can be processed.

4.2 During the testing period, the billing Party shall transmit to the other Party billing data and information via paper transmission.

5. **Additional Requirements**

5.1 The Parties agree that if the billing Party transmits data to the other Party in a mechanized format, the billing Party will also comply with the following specifications:

- a. The BAN shall not contain embedded spaces or low values.
- b. The Bill Date shall not contain spaces or non-numeric values.
- c. Each bill must contain at least one detail record.
- d. Any "From" Date should be less than the associated "Through" Date and neither date can contain spaces.

6. **Bill Accuracy Certification**

The Parties agree that in order to ensure the proper performance and integrity of the entire billing process, each Party will be responsible and accountable for transmitting to the other Party an accurate and current bill. The Parties may mutually agree to implement control mechanisms and procedures to render a bill that accurately reflects the Unbundled Network Element, Combination, Interconnection or Resold Service ordered and used by the other Party.

SCHEDULE 5.6.7

APPLICABLE FACTORS

PIU and PLU factors may be reported at the state or LATA level.

FOR TRAFFIC ORIGINATING FROM:	AND TERMINATING TO:	LATA	PIU (%)	PLU (%)
Verizon	AT&T	ALL	[Determined prior to signing]	[Determined prior to signing]
AT&T	Verizon	ALL	[Determined prior to signing]	[Determined prior to signing]

CUSTOMER: AT&T

STATE: [STATE]

BILLING CONTACT NAME: _____

BILLING CONTACT NUMBER: _____

BILLING CONTACT ADDRESS: _____

AT&T ACNA to be used when ordering Interconnections Trunks: _____

AT&T CIC to be used when ordering Interconnection Trunks: _____

SCHEDULE 7.1.3

Billing Process for Variable-Rated Information Services Calls

Verizon offers the following billing process for AT&T and Verizon to jointly ensure that the AT&T Customers making calls to the information services provider programs on the Verizon platform are billed at correct rates, and that the information services providers they call are reimbursed for the use of their services. Prior to establishing working interconnection to the variable-rated services, AT&T must complete acceptance testing with Verizon for the billing process as described below. Where AT&T does not establish a billing arrangement, AT&T agrees that its Customers will not be able to complete calls to variable-rated Information Service providers on the Bell Atlantic platform, regardless of whether the Customers are served by AT&T switching facilities, or by Unbundled Network Element(s) purchased by AT&T.

"Information Mass Announcement Service" ("IMAS") is unique to the New York Metropolitan LATA (132), and is not offered elsewhere in New York State or in any other state. The billing process described below does not apply to IMAS traffic, which is not a variable-rated Information Service.

28.27.1 INFORMATION PROVIDER SERVICES BILLING PROCESS

A. Usage Processing

- 1a. AT&T, using its own facilities, records originating call detail and delivers Information Services Traffic to Verizon over a dedicated IP trunk. Verizon makes terminating recordings. Using the called number, AT&T identifies the call as a variable-rated IP call. AT&T sends the call detail record to Verizon in unrated EMI format.

Verizon rates correctly-formatted messages at the price set by the information services provider, and bills AT&T for the full value of the call less the Information Service Billing Fee ("IP B&C Fee") stated in Exhibit A. Incorrectly formatted records are not rated and no IP B&C Fee is applied. Rated messages are returned to AT&T in rated EMI format.

--or--

- 1b. AT&T, using Verizon Unbundled Network Elements for Local Switching, receives originating call detail from Verizon in unrated EMI format. Using the called number, AT&T identifies the call as a variable-rated IP call. AT&T sends the call detail record to Verizon in unrated EMI format.

Verizon rates correctly-formatted messages at the price set by the information services provider, and bills AT&T for the full value of the call

less the Information Service Billing Fee ("IP B&C Fee") stated in Exhibit A. Incorrectly formatted records are not rated and no IP B&C Fee is applied. Rated messages are returned to AT&T in rated EMI format.]

2. Unless otherwise agreed to by the Parties, Verizon will not charge AT&T for rating correctly-formatted messages.
3. Error messages will be returned in either unrated or rated EMI format, depending on the nature of the error. Appropriate indicators in the record will define the error.

"Killer" calls, i.e. calls where the originating end user has disconnected within a Tariff-specified time limit in order to avoid charges, are returned with a special locally defined indicator. An Information Services Provider B&C Fee as set forth in Exhibit A is credited to AT&T for these calls, although there are no charges billable to the AT&T Customer.

4. AT&T bills its Customer for the full value of the call as shown in the rated EMI record, calculates and collects appropriate state and local taxes.
5. Verizon uses the rated message to calculate the payment due the information services provider, and remits that amount to the information services provider. The information services provider is charged for "killer" calls according to Tariff regulations.

B. Adjustments

1. Using the called number, AT&T identifies the call as a variable-rated IP call and sends a rated adjustment EMI format record to Verizon.
2. AT&T must provide the following information when requesting an adjustment from Verizon for information service provider call made by one of AT&T's Customers:
 - originating line number
 - the dialed IP subscriber number
 - the amount to be adjusted, not including tax
 - message date
 - connect time
 - conversation time
3. Verizon will follow its policy of allowing two (2) adjustments per line per year on eligible information service provider calls. Once two adjustments have been made for an originating end user line number, no further adjustments will be made to AT&T's account.]

C. Acceptance Testing

1. Acceptance testing between Verizon and AT&T will demonstrate that both Parties are ready to deliver, process and receive usage and billing data as required, and that each has a Single Point of Contact ("SPOC") available to the other.
2. AT&T will provide a sufficient volume of unrated usage data for testing various call scenarios, formatted and delivered to reflect the anticipated production environment.
3. Verizon will examine, process, and edit such data to produce a return data set of rated records, for delivery to AT&T.
4. AT&T will receive and process the Verizon data.
5. Both Parties will communicate and resolve testing issues until they mutually agree that each is able to format, deliver, receive and process data at an acceptable standard.

SCHEDULE 11

ACCESS TO OPERATIONS SUPPORT SYSTEMS

1.0 Definitions

As used in this Schedule 11, the following terms shall have the meanings stated below:

1.1 "Verizon Operations Support Systems" or "Verizon OSS" means Verizon interfaces for access to pre-ordering, ordering/provisioning, maintenance and repair, and billing generally available to all CLECs.

1.2 "Verizon OSS Services" means access to Verizon Operations Support Systems functions of Pre-Ordering, Ordering/Provisioning, Maintenance and Repair, and Billing. The term "Verizon OSS Services" includes, but is not limited to: (a) Verizon's provision of Customer Usage Detail Information to AT&T pursuant to this Agreement; and, (b) "Verizon OSS Information", as defined in Section 1.3 below.

1.3 "Verizon OSS Information" means any information accessed by, or disclosed or provided to, AT&T through or as a part of Verizon OSS Services. The term "Verizon OSS Information" includes, but is not limited to: (a) any Customer Information related to a Verizon Customer or an AT&T Customer accessed by, or disclosed or provided to, AT&T through or as a part of Verizon OSS Services; and, (b) any AT&T Customer Usage Detail Information (as defined in Section 1 of the General Terms and Conditions) accessed by, or disclosed or provided to, AT&T.

2.0 General Conditions

2.1 This Schedule 11 sets forth the terms and conditions under which Verizon will provide electronic access to the following Verizon Operations Support Systems and Verizon OSS Services. Verizon will provide such access to AT&T through the interfaces listed below or any other generally available Verizon OSS interfaces (e.g., Web GUI) for pre-ordering, ordering, provisioning, maintenance and repair, and billing in accordance with guidelines published by Verizon and which are consistent with the Change Management Process described below.

Interface	Function
CORBA	Pre-order
EDI	Ordering, Provisioning
EBI	Maintenance & Repair
Connect:Direct	Billing

2.2 AT&T agrees to access the Verizon OSS and utilize Verizon OSS Services, only for the purposes of establishing and maintaining resale services, UNEs,

UNE Combinations, number portability, and Interconnection services (hereinafter "the Services") provided to AT&T by Verizon. Except as may be mutually agreed to by the Parties in writing, AT&T agrees that such use will comply with the security requirements of Verizon.

2.3 By accessing customer service records pursuant to this Schedule, AT&T represents and warrants that it has obtained any customer authorization or approval (written, verbal or electronic) required by Applicable Law in order to receive such information. AT&T shall receive and retain such information in conformance with the requirements of 47 USC 222 (and implementing FCC regulations thereunder) and in accordance with Section 18.3.

2.4 Verizon will provide AT&T with access to Verizon OSS in accordance with Verizon's published availability schedule, subject to changes to such schedule made in accordance with the Change Management Process.

2.5 Each Party shall provide designated contacts for technical issues related to this Schedule. Verizon shall also publish or otherwise provide to AT&T toll-free nationwide telephone numbers (and applicable hours of operation) which will be answered by capable staff trained to answer questions and resolve technical problems related to this Schedule or other matters associated with the provision of Verizon OSS Services.

2.6 Verizon and AT&T may, upon mutual agreement jointly establish interface contingency plans for access to Verizon OSS.

2.7 The Parties agree that the Change Management Process as established between Verizon and participating CLECs, as may be amended from time to time, will be used to manage changes to Verizon OSS interfaces. For purposes of this Schedule, "Change Management Process" means the documented process that Verizon and CLECs follow to facilitate communication about Verizon OSS changes, new interfaces and retirement of old interfaces, as well as the implementation timeframes; which includes such provisions as a developmental view, release announcements, comments and reply cycles, new entrant and new release testing processes and regularly scheduled change management meetings.

2.8 Notwithstanding any other provision of this Agreement, if any provision contained in this Schedule 11 (and/or Section 11.6 of this Agreement) conflicts with any term or condition of the Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferee, Memorandum Opinion and Order, Appendix D, CC Docket No. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Conditions") or otherwise would require Verizon, prior to the time period contained in the Merger Conditions or in a manner inconsistent with the Merger Conditions, to implement any Verizon OSS process, interface, or business rule, including but not limited to the Change Management Process, or any Verizon OSS Services as those terms are defined in this Agreement, the term or condition contained in the Merger Conditions shall prevail. If any provision contained in this Schedule 11 (and/or Section 11.6 of this Agreement) and any provision of the agreement entered into by Verizon and others (including AT&T) on August 20, 1999 (in

settlement of *MCI Worldcom, Inc. and AT&T Corp. v. Bell Atlantic Corp.*, FCC File No. EAD-99-0003), as may be amended from time to time, and any collaborative proceedings or arbitrated decisions arising from that settlement agreement ("Settlement Agreement") cannot be reasonably construed or interpreted to avoid conflict, the terms of the Settlement Agreement shall prevail. Conflicts among this Schedule 11 (and/or Section 11.6 of this Agreement), the Settlement Agreement, and the Merger Conditions shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Settlement Agreement; (b) the Merger Conditions; and (c) this Schedule 11 (and/or Section 11.6 of this Agreement).

2.9 In ordering Services, AT&T and Verizon will utilize standard industry order formats and data elements developed by the Alliance for Telecommunications Industry Solutions (ATIS), including without limitation the Ordering and Billing Forum (OBF); provided, however, Verizon shall not be required to implement a version of an industry standard or may modify its use of such industry standards subject to notice in accordance with the Change Management Process. Verizon may also modify its use of such industry standards (i) in order to be consistent with the terms of the Settlement Agreement; or (ii) consistent with any collaborative proceedings pursuant to the Merger Conditions. Furthermore, industry standards do not currently exist for the ordering of all Services. Therefore, until such standard industry order formats and data elements are developed by the OBF for a particular Service, AT&T and Verizon will use the Change Management Process to agree on a format or data elements to be used to address the specific data requirements necessary for the ordering of those Services. When an OBF standard or format is subsequently adopted, the Parties will use such standard or format in lieu of any other standard or format, unless, pursuant to the Change Management Process, there is agreement to continue to use a non-OBF standard or format. Nothing in this Section 2.9 shall require Verizon to implement an industry standard prior to the time period required by the Merger Conditions or in a manner inconsistent with the Merger Conditions. Verizon reserves the right to establish non-standard Verizon OSS interfaces if required by law, regulation or collaborative proceeding.

3.0 Access to and Use of Verizon OSS

3.1 Verizon OSS may be accessed and used by AT&T only to the extent necessary for AT&T's access to and use of Verizon OSS Services pursuant to the Agreement.

3.2 AT&T shall restrict access to and use of Verizon OSS to AT&T. This Schedule 11 does not grant to AT&T any right or license to grant sublicenses to other persons, or permission to other persons (except AT&T's employees, agents and contractors, in accordance with Section 3.6 below), to access or use Verizon OSS.

3.3 AT&T shall not (a) alter, modify or damage the Verizon OSS (including, but not limited to, Verizon software), (b) copy, remove, derive, reverse engineer, or decompile, software from the Verizon OSS, or (c) obtain access through Verizon OSS to

Verizon databases, facilities, equipment, software, or systems, which are not offered for AT&T's use under this Schedule 11.

3.4 Except as may be otherwise mutually agreed to by the Parties in writing, AT&T shall comply with all practices and procedures established by Verizon for access to and use of Verizon OSS (including, but not limited to, Verizon practices and procedures with regard to security and use of access and user identification codes).

3.5 All practices and procedures for access to and use of Verizon OSS, and all access and user identification codes for Verizon OSS: (a) shall remain the property of Verizon; (b) shall be used by AT&T only in connection with AT&T's use of Verizon OSS permitted by this Schedule 11; (c) shall be treated by AT&T as Confidential Information of Verizon pursuant to subsection 28.5 of the Agreement; and, (d) shall be destroyed or returned by AT&T to Verizon upon the earlier of request by Verizon or the expiration or termination of the Agreement.

3.6 AT&T's employees, agents and contractors may access and use Verizon OSS only to the extent necessary for AT&T's access to and use of the Verizon OSS permitted by this Agreement. Any access to or use of Verizon OSS by AT&T's employees, agents, or contractors, shall be subject to the provisions of the Agreement, including, but not limited to, subsection 28.5 thereof and Section 3.5 of this Schedule 11.

4.0 Verizon OSS Information

4.1 All Verizon OSS Information shall at all times remain the property of Verizon. Except as expressly stated in this Schedule 11, AT&T shall acquire no rights in or to any Verizon OSS Information.

4.2 The provisions of this Section 4.2 shall apply to all Verizon OSS Information, except (a) AT&T Customer Usage Detail Information, (b) CPNI of AT&T, and (c) CPNI of a Verizon Customer or a AT&T Customer, to the extent the Customer has authorized AT&T to use the Customer Information.

4.2.1 AT&T's employees, agents and contractors may access, use and disclose Verizon OSS Information only to the extent necessary for AT&T's access to, and use and disclosure of, Verizon OSS Information permitted by this Schedule 11. Any access to, or use or disclosure of, Verizon OSS Information by AT&T's employees, agents or contractors, shall be subject to the provisions of this Agreement, including, but not limited to, subsection 28.5 of the Agreement.

4.2.2 Unless sooner terminated or suspended in accordance with the Agreement or this Schedule 11 (including, but not limited to, Section 22 of the Agreement and Section 5.1 following), AT&T's access to Verizon OSS Information through Verizon OSS Services shall terminate upon the expiration or termination of the Agreement. All Verizon OSS Information received by AT&T shall be destroyed or returned by AT&T to Verizon, upon expiration, suspension or termination of this Agreement.

5.0 Liabilities and Remedies

5.1 Any breach by AT&T, or AT&T's employees, agents or contractors, of the provisions of Sections 3 or 4 above shall be deemed a material breach of the Agreement. In addition, if AT&T or an employee, agent or contractor of AT&T at any time breaches a provision of Sections 3 or 4 above and such breach continues for more than ten (10) days after written notice thereof from Verizon, then, except as otherwise required by Applicable Law, Verizon shall have the right, upon notice to AT&T, to suspend access to Verizon OSS and the provision of Verizon OSS Services, in whole or in part.

5.2 AT&T agrees that Verizon may be irreparably injured by a breach of Sections 3 or 4 above by AT&T or the employees, agents or contractors of AT&T, and that Verizon shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any such breach. Such remedies shall not be deemed to be the exclusive remedies for any such breach, but shall be in addition to any other remedies available under this Agreement or at law or in equity.

6.0 Relation to Applicable Law

The provisions of Sections 3, 4 and 5 above shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by Verizon of any right with regard to protection of the confidentiality of the information of Verizon or Verizon Customers provided by Applicable Law.

7.0 Verizon Access to Information Related to AT&T Customers

7.1 Verizon shall have the right to access, use and disclose information related to AT&T Customers that is in Verizon's possession to the extent such access, use and/or disclosure has been authorized by the AT&T Customer in the manner required by Applicable Law.

7.2 Upon request by Verizon, AT&T shall negotiate in good faith and enter into a contract with Verizon, pursuant to which Verizon may obtain access to AT&T's operations support systems (including, systems for pre-ordering, ordering/provisioning, maintenance and repair, and billing) and information contained in such systems, to permit Verizon to obtain information related to AT&T Customers (as authorized by the applicable AT&T Customer), to permit Customers to transfer service from one Telecommunications Carrier to another, and for such other purposes as may be permitted by Applicable Law.

8.0 Application-to-Application Interface Testing for Ordering/Provisioning

8.1 The Parties shall conduct application-to-application interface testing prior to AT&T's initial live access to Verizon OSS. Additionally, the Parties may agree to conduct application-to-application interface testing to test new releases of Verizon OSS

software. Any application-to-application interface testing shall be pursuant to Verizon CLEC Test Environment (CTE) guidelines published by Verizon consistent with the Change Management Process. Application-to-application interface testing will allow for the testing of the systems, interfaces, and processes for the Ordering and Provisioning functions. If AT&T wishes to conduct Friendlies-type application-to-application testing, the Parties shall negotiate a separate test agreement that addresses the terms and conditions applicable to such testing.

8.2 Notwithstanding any other provision of this Agreement, AT&T shall not send any orders into production until such time that AT&T has successfully completed testing in the Verizon CTE in New York except as otherwise mutually agreed to by the Parties. AT&T agrees that it will only send orders into production containing features, services and/or elements for which it has successfully completed testing in New York in the Verizon CLEC Test Environment except as otherwise mutually agreed to by the Parties.

8.3 Prior to initial access to Verizon OSS, AT&T will complete applicable user education classes, as offered by Verizon, for Verizon-provided interfaces. Such user education classes will be available in accordance with rates published by Verizon.

8.4 AT&T agrees that personnel from other competitive Local Service Providers may be scheduled into any class. Class availability is first-come, first served.

8.5 Class dates will be in accordance with Verizon's published schedule. Special classes may be arranged as mutually agreed to by the Parties.

8.6 AT&T agrees that AT&T personnel attending classes are to utilize only training databases and training presented to them in class. Attempts to access any other Verizon system are strictly prohibited.

8.7 Nothing in this Section 8 shall require Verizon to offer non-scheduled user education classes to AT&T except as may be mutually agreed to by the Parties or as otherwise generally offered to other CLECs.

9.0 Prices/Rates

9.1 AT&T will pay Verizon for access to the Verizon OSS according to the prices set forth in Exhibit A (Pricing Schedule) of this Agreement or as otherwise determined by the Commission.

VERIZON NEW YORK AND AT&T
DETAILED SCHEDULE OF ITEMIZED CHARGES

1. VERIZON SERVICES, FACILITIES, AND ARRANGEMENTS:

A. INTERCONNECTION¹

I. Rate for Call Transport & Termination (Reciprocal Compensation Rates)

Reciprocal Compensation for call termination:		
1.	Blended Rate for Reciprocal Compensation Traffic and Internet Traffic delivered to the relevant BA-IP or to a AT&T IP ("Blended Rate ² ")	\$0.0066/minute of use (mou), except as otherwise provided in the Interconnection Section 5.7

¹
²

The Blended Rate for the termination of Reciprocal Compensation Traffic and Internet Traffic delivered to the relevant BA-IP or to a AT&T IP shall be based on the rates specified in the PSC No. 914 Tariff, as amended from time to time, and shall be recalculated at intervals no more frequent than every six months, beginning six (6) months from the Effective Date (the "Rate Determination Date"). In addition, the Blended Rate shall be recalculated whenever there is a Commission ruling changing the underlying tariffed rates or rate structure utilized to calculate the Blended Rate ("Commission Decision Date"). The Blended Rate shall be recalculated (using the formula set forth below) based upon the traffic data of the quarter immediately preceding such Rate Determination Date or Commission Decision Date, except for the first six months of the Agreement, when such Blended Rate shall be the initial Rate as set forth in 1.1(a) of this Exhibit A.

The methodology for recalculating the Blended Rate is as follows:

- (a) Time of Day Definitions - As set forth in NYT PSC No. 914 Tariff, as amended from time to time
 Day/Evening/Night
- (b) Base Rates – Per Minute of Use As set forth in NYT PSC No. 914 Tariff, as amended from time to time
 Tandem Rate (Meet Point B)
 End Office Rate (Meet Point A)
- (c) Formula for recalculating the Blended Rate:

(% Day Traffic + % Evening Traffic + % Night Traffic = 100% for each Party)

STEP 1: Determine Tandem/End Office percentage:

% Tandem = $\frac{\text{AT\&T minutes delivered to BA Tandem}}{\text{Total AT\&T originated minutes}}$

% End Office = $\frac{\text{AT\&T minutes delivered to BA End Office}}{\text{Total AT\&T originated minutes}}$

STEP 2: Determine average rate:

1b.	Rate for Reciprocal Compensation Traffic delivered to a Verizon-IP or to a AT&T IP End Office rate ("Meet Point A arrangement") Tandem rate ("Meet Point B arrangement")	Charged in accordance with NYPSC No. 914 Tariff
2.	Access charges for termination of intrastate and interstate Toll Traffic	Per BA FCC No. 11 interstate and NY PSC No. 918 intrastate access tariffs (charged in conjunction with Reciprocal Compensation Traffic, using PLU and PIU factors, as appropriate)
3.	Entrance facilities, and transport, as appropriate, for Interconnection at Verizon End Office, Tandem Office, Serving Wire Center, or other Point of Interconnection	Per NY PSC No. 914 tariff, BA FCC No. 11 interstate and NY PSC No 918 intrastate access Tariffs

II. Transit Service

a. Tandem Transit Service

The rate for Transit Service is based upon the rates set forth in NYPSC No. 914 Tariff, as amended from time to time.

Transit Service Trunking Charge

$$\begin{aligned}
 & \frac{\text{Verizon-originated Day minutes} * \% \text{ Tandem} * \text{Tandem Day Rate}}{\text{Total Verizon-originated minutes}} \\
 & + \\
 & \frac{\text{Verizon-originated Evening minutes} * \% \text{ Tandem} * \text{Tandem Evening Rate}}{\text{Total Verizon-originated minutes}} \\
 & + \\
 & \frac{\text{Verizon-originated Night minutes} * \% \text{ Tandem} * \text{Tandem Night Rate}}{\text{Total Verizon-originated minutes}} \\
 & + \\
 & \frac{\text{Verizon-originated Day minutes} * \% \text{ End Office} * \text{End Office Day Rate}}{\text{Total Verizon-originated minutes}} \\
 & + \\
 & \frac{\text{Verizon-originated Evening minutes} * \% \text{ End Office} * \text{End Office Evening Rate}}{\text{Total Verizon-originated minutes}} \\
 & + \\
 & \frac{\text{Verizon-originated Night minutes} * \% \text{ End Office} * \text{End Office Night Rate}}{\text{Total Verizon-originated minutes}} \\
 & = \text{Blended Rate}
 \end{aligned}$$

The Transit Service Trunking Charge shall equal, with respect to each third party CLEC for which the Tandem Transit Traffic achieves the Threshold Level, the product of: (i) the monthly rate for the Dedicated Tandem Trunk Port, per interstate (Verizon FCC No. 11, Section 31.6.1) access tariff, multiplied by (ii) 24. The Transit Service Trunking Charge shall apply per DS1 level volume of calls, and per any fractional amount thereof rounded to the next highest DS1.

Transit Service Billing Fee

The Transit Service Billing Fee will equal 5% of the monthly service charges incurred by AT&T with respect to each third party CLEC for which the Tandem Transit Traffic achieves the Threshold Level.

b. Dedicated Transit Service

The rates for Dedicated Transit Service are as set forth in NYPSC No. 914 Tariff, section 10.5.3.

B. UNBUNDLED NETWORK ELEMENTS³

I. Unbundled Database Access⁴

a. 800/888 Database

Reciprocal Compensation (refer to I above) (charged to originating 800 service provider).

800 Database inquiry: as set forth in the NYPSC No. 916 Tariff, Section 5.7.7 (B) as amended from time to time.

b. LIDB

LIDB Database Query as set forth in the NYPSC No. 916 Tariff, Section 5.7.7 (C) as amended from time to time.

II. Unbundled Local Loops⁵

Rates for all ULL types are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.5.2, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

III. Unbundled IOF

Rates for all unbundled IOF elements are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.3.4, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

IV. Unbundled Common Channel Signaling and Call-Related Database Access

⁴ Verizon's proposed UNEs, UNE combinations, and UNE pricing methodology reflect the FCC's current rules. Verizon does not agree that UNE prices must be Verizonized solely on forward-looking costs, and Verizon reserves the right to seek to change its UNE offerings and UNE prices if the FCC's rules are vacated or modified by the FCC or by a final, non-appealable judicial decision.

⁵ In compliance with the FCC order approving the merger of GTE Corporation and Bell Atlantic (CC Docket No. 98-1840), Verizon will offer limited duration promotional discounts on residential UNE Loops and UNE Advance Services Loops. The terms and conditions on which these promotional discounts are being made available can be found on <http://www.gte.com/wise> for former GTE service areas and <http://www.bell-atl.com/wholesale/html/resources.htm> for former Bell Atlantic service areas.

Rates for all unbundled Common Channel Signaling and Call-related Database Access are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.7.7, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

V. Unbundled Local Switching

Rates for all unbundled local switching elements are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.5.2, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

VI. Unbundled Tandem Switching

Rates for all unbundled tandem switching elements are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.4.4, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

VII. Unbundled Network Interface Device and House and Riser Cable

Rates for unbundled network interface device as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.2.3, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

VIII. Intrastate Physical Collocation

The rates for Intrastate Collocation are based upon the rates set forth in NYPSC No. 914 Tariff, as amended from time to time.

IX. Line Sharing

Rates for Line Sharing are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.18.4, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

X. Combinations of Unbundled Network Elements - Platform, Trunk Port, Link, and Other

Rates for all combination types are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.5.2, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

XI. Unbundled Sub-Loop Arrangements (USLA)

Rates for USLA are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.5.2, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

XII. Dark Fiber

Rates for Dark Fiber are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.5.2, as amended from time to time, subject to the provisions of Section 11 of this Agreement.

C. RESALE⁶

I. Wholesale Discounts

Wholesale discounts are as set forth in the NYPSC Tariff No. 915, Section 9.1.1, as amended from time to time.

Month- to- month discounts:

- a. Where AT&T purchases Verizon-provided Operator Services
 - (1) Business
 - (2) Residence
- b. Where AT&T does not purchase Verizon Operator Services
 - (1) Business
 - (2) Residence

In compliance with the FCC Order approving the Merger of GTE Corporation and Bell Atlantic (CC Docket No. 98-1840), Verizon will offer limited duration promotional discounts on resold residential exchange access lines. The terms and conditions on which these promotional discounts are being made available can be found on Verizon's web site, at <http://www.gte.com/wise> for former GTE service areas and <http://www.bell-atl.com/wholesale/html/resources.htm> for former Bell Atlantic service areas.

D. CUSTOMER USAGE DETAIL CHARGES

Rates for Customer Usage Detail are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.6.1.7(H), as amended from time to time.

E. TIME AND MATERIALS CHARGES

Rates for Time and Materials are as set forth in Verizon's NYPSC No. 916 Tariff, as amended from time to time.

F. 911/E911 INTERCONNECTION

Rates for interconnection to Verizon 911 or E911 hub tandem and access to subtending PSAPS are as set forth in Verizon's NYPSC No. 914 , Section 10.4.3, as amended from time to time.

G. OPERATIONS SUPPORT SYSTEMS

a. Rates for all access to, development, maintenance and use of Operations Support Systems, as related to the provision of unbundled Network Elements, are as set forth in Verizon's NYPSC No. 916 Tariff, Section 5.9.1 as amended from time to time, subject to the provisions of Section 11 and Schedule 11 of this Agreement.

b. Rates for all access to, development, maintenance and use of Operations Support Systems, as related to the provision of Resale, are as set forth in Verizon's NYPSC No. 915 Tariff, as amended from time to time, subject to the provisions of Section 12 and Schedule 11 of this Agreement.

c. Rates for all access to, development, maintenance and use of Operations Support Systems, as related to the provision of Interconnection are as set forth in Verizon's NYPSC No. 914 Tariff, as amended from time to time, subject to the provisions of this Agreement.

2. AT&T SERVICES, FACILITIES, AND ARRANGEMENTS:

<u>Service or Element Description:</u>	<u>Recurring Charges:</u>	<u>Non-Recurring Charge:</u>
I. Number Portability Permanent	[TBD]	
II. Exchange Access Service Interstate	Per AT&T FCC exchange access tariff as amended from time to time.	
Intrastate	Per AT&T NY exchange access tariff as amended from time to time.	
III. Local Dialing Parity		No Charge
IV. All Other AT&T Services Available to Verizon for Purposes of Effectuating Local Exchange Competition	Available at AT&T's tariffed or otherwise generally available rates, not to exceed Verizon rates for equivalent services available to AT&T.	
V. Other Services Information Service Billing Fee	\$.05/Call	No Charge

EXHIBIT B

Network Element Bona Fide Request Process

1.0 Any request by AT&T for access to a Verizon unbundled Network Element or Combination that is not already available and that Verizon is required by Applicable Law to provide shall be treated as a Network Element Bona Fide Request pursuant to this Exhibit B.

1.1 Notwithstanding anything to the contrary in this Exhibit B, Verizon shall not be required to provide a proprietary Network Element to AT&T under this Exhibit B except as required by Applicable Law.

2.0 The following process shall be used to promptly consider and analyze requests for Network Elements and Combinations required to be provided under Applicable Law which are not specifically identified in this Agreement. These requests shall hereinafter be referred to as "Network Element Bona Fide Requests." 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.

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

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

5.0 Except under extraordinary circumstances, within thirty (30) days of its receipt of a Network Element Bona Fide Request, Verizon shall provide to AT&T a preliminary analysis in writing of such Network Element Bona Fide Request (hereinafter referred to as a "Preliminary Analysis") at no charge to AT&T. The Preliminary Analysis shall (i) state whether Verizon will offer access to the Network Element or Combination or (ii) provide an explanation that access to the Network Element or Combination is not technically feasible and/or that the request does not qualify as a Network Element or Combination that is required to be provided by Verizon under Applicable Law.

6.0 If Verizon determines that the provision of a Network Element or Combination requested in the Network Element Bona Fide Request is technically feasible and is required to be provided under Applicable Law, it shall proceed with developing the Network Element Bona Fide Request upon written authorization from AT&T. When it receives such written authorization, Verizon shall promptly develop the requested services, determine their availability, calculate the applicable prices and establish installation intervals. Within 90 days of its receipt of such request by AT&T to proceed with developing the Network Element Bona Fide Request, Verizon shall provide a quote

for the Network Element or Combination requested, including a description of each Network Element or Combination, its availability, applicable prices and installation intervals (hereinafter referred to as a "BFR Quote").

7.0 Unless the Parties otherwise agree, the Network Element or Combination requested must be priced in accordance with Section 252(d)(1) of the Act.

8.0 Within thirty (30) days of its receipt of the BFR Quote, AT&T must either confirm its order for the Network Element Bona Fide Request pursuant to the BFR Quote or seek relief pursuant to the Dispute Resolution Process set forth in Section 28.11.

9.0 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 relief pursuant to the Dispute Resolution Process set forth in Section 28.11.

10.0 AT&T may cancel its Network Element Bona Fide Request at any time but shall pay Verizon reasonable and demonstrable costs of processing and/or implementing the Network Element Bona Fide Request up to the date of cancellation.