

INTERCONNECTION AGREEMENT (8-STATE)

BETWEEN

SBC ADVANCED SOLUTIONS, INC.

NAVIGATOR TELECOMMUNICATIONS, LLC

Version 3.0 sw

November, 2001

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INTERCONNECTION AGREEMENT (SBC-ASI/8-STATE)

THIS INTERCONNECTION AGREEMENT - SBC-ASI/8-State is between SBC Advanced Solutions, Inc. having a principal place of business at 300 Convent Street, 18th Floor, San Antonio, Texas 78205, ("SBC-ASU8-State") and Navigator Telecommunications, LLC ("CLEC")(SBC-ASI/8-State and CLEC are sometimes referred to hereinafter as "Party" or "Parties").

WHEREAS, CLEC and SBC-ASI/8-State desire to enter into an Interconnection Agreement covering the installation, operation and maintenance of such Services ("Agreement"); and

WHEREAS, pursuant to the Telecommunications Act of 1996, (the "Act"), the Parties wish to establish terms for the resale of SBC-ASI/8-State Services and for the provision by SBC-ASI/8-State of Interconnection as designated in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, SBC-ASI/8-State and CLEC agree as follows:

GENERAL TERMS AND CONDITIONS

- I. SCOPE OF THE AGREEMENT. This Agreement is intended to satisfy SBC's obligations under section 251 (c) of the Act as interpreted by the D.C. Court of Appeals in Association of Communications Enterprises v. FCC, slip op., No. 99-1441 (D.C. Circuit, Jan. 9, 2001), modified slip op. (Jan. 18, 2001) (the "ASCENT Decision") in anticipation of the Federal Communications Commission ("FCC") issuing an order to address this issue as discussed in Footnote 768 of the Kansas/Oklahoma 271 Order, FCC 01-29 released January 22, 2001. In the event the FCC issues a decision that imposes requirements affecting the terms and conditions contained in this Agreement, or that the terms and conditions contained in this Agreement do not fulfill SBC's obligations under the ASCENT Decision, either Party may exercise its rights under the Intervening Law provisions set forth in section 1F of this Agreement.
 - A. Complete Agreement. This Agreement including any attachments, tariff references, schedules and addenda sets forth the complete terms and conditions applicable to the provision of Services by SBC-ASI/8-State to CLEC, and supersedes any and all prior agreements, arrangements, representations, or understandings relating to the subject matter hereof.
 - B. Relevant States, Regional Designations, and State-Specific Rates, Terms and Conditions.
 - (1) Relevant States. SBC-ASI/8-State Agreement includes singly and collectively the States of Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma and Texas collectively referred to hereinafter as SBC-ASU8-State.

- (2) Regional Designations. When used in this Agreement, the following regional designations refer to the following states:

Region	States
ASI-Central	Arkansas, Kansas, Missouri, Oklahoma, Texas
ASI-West	California, Nevada
ASI-Northeast	Connecticut

- (3) State-Specific Rates, Terms and Conditions. For ease of administration, this 8-state Agreement contains certain specified rates, terms and conditions that apply only in a designated state ("state-specific terms"). To the extent that this Agreement contains specified rates, terms and conditions that apply only in a given state, such rates, terms and conditions shall not apply and shall have no effect in any other state(s) to which this Agreement is submitted for approval under section 252(e) of the Act.

- (4) State-specific terms, have been negotiated (or included in the agreement per state requirement) by the Parties only as to the states where this Agreement has been executed, filed and approved. When the Parties negotiate an agreement for an additional state, neither Party shall be precluded by any language in this Agreement from negotiating state-specific terms for the state in which such terms are to apply.

C. Term. The term of the Agreement commences on the Effective Date, as defined below, and shall expire on June 3, 2003, unless sooner terminated as provided herein. The Effective Date is ten (10) calendar days after the appropriate State Commission approves this Agreement under section 252(e) of the Act, or absent such Commission approval, the date this Agreement is deemed approved under section 252(e)(4) of the Act.

D. Cancellation, Termination and Default.

- (1) If CLEC cancels the Service before installation, CLEC will pay all costs, fees and expenses incurred or expended by SBC-ASU8-State in connection with providing the Service including, but not limited to, those paid to third parties.
- (2) Subject to the conditions specifically provided for failure to pay in subsection 2H, SBC-ASU8-State may terminate this Agreement upon thirty (30) calendar days written notice if CLEC fails to perform or observe any material term or condition of this Agreement and such failure is not remedied within thirty (30) calendar days after SBC-ASU8-State's notice.
- (3) This Agreement is subject to all applicable laws, regulations, rules and orders. SBC-ASU8-State and the Services may be regulated by certain rules, regulations, and orders of state or federal regulatory agencies or may be

subject to certain requirements as set forth in the Act. If this Agreement, or any part thereof, is subsequently deemed, or SBC-ASU8-State, in good faith, at its sole discretion, believes this Agreement, or any part thereof, to be in conflict with any such rules, regulations or orders, SBC-ASU8-State may to that extent terminate or modify this Agreement without liability.

- (4) CLEC may terminate this Agreement without payment of termination charges if, upon delivery to SBC-ASU8-State of a thirty (30) calendar days written notice setting forth the reason(s) for termination, SBC-ASU8-State fails to perform or observe any material term or condition of this Agreement and such failure is not remedied within thirty (30) calendar days after SBC-ASI/8-State's receipt of CLEC's breach notice.
- (5) If this Agreement is terminated under any provision set forth above, SBC-ASI/8-State and CLEC agree to cooperate in an orderly and efficient transition of the Services to another CLEC or another vendor, as applicable.
- (6) Subject to the conditions specifically provided for failure to pay in subsection 211, in the event CLEC defaults in its obligation to make timely payments to SBC-ASU8-State or otherwise defaults in any material obligation hereunder, SBC-ASU8-State may, in addition to other remedies, discontinue work on any Service orders in process and may refuse to accept any new orders for Service. In addition, SBC-ASU8-State may disconnect any existing Service connections that are in default for non-payment and CLEC shall cooperate with SBC-ASU8-State in this disconnection process to minimize the impact on CLEC's Customers.

E. Negotiation of Successor Agreement. If either Party desires to negotiate a successor agreement to this Agreement, such Party must provide the other Party with a written request to negotiate such successor agreement ("Request to Negotiate") not later than one hundred-eighty (180) calendar days prior to the expiration of this Agreement. A Request to Negotiate does not activate the negotiation timeframe set forth in this Agreement, nor does it shorten the life of this Agreement. The noticing Party will delineate the specific items desired to be negotiated. Not later than thirty (30) calendar days from receipt of said Request to Negotiate, the receiving Party will notify the sending Party of additional items desired to be negotiated, if any. The Parties will begin negotiations not later than one hundred thirty-five (135) calendar days prior to expiration of this Agreement. This Agreement will continue after the initial one (1) year term on a month-to-month basis until terminated or until a successor Agreement is approved by the applicable State Commission pursuant to the terms of this Agreement.

F. Intervening Law. In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent

jurisdiction, including but not limited to any action altering the existence or scope of any 47 U.S.C. section 251 obligation on SBC-ASU8-State (e.g. the ASCENT Decision) and any decision by the Eighth Circuit relating to any of the costing/pricing rules adopted by the FCC in its First Report and Order, In *re: Implementation Of the Local Competition Provisions in the Telecommunications Act* Of 1996, 11 FCC Rcd 15499 (1996)(e.g., section 51.501, et seq.), upon review and remand from the United States Supreme Court, in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) or *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999), the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. The Parties acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decisions or any remand thereof, including its right to seek legal review or a stay pending appeal of such decisions or its rights under this Intervening Law paragraph.

- G. **Assignment.** Neither Party may assign or otherwise transfer its rights or obligations under this Agreement, except with the prior written consent of the other Party hereto, which consent will not be unreasonably withheld; provided, that SBC-ASU8-State may assign its rights and benefits and delegate its duties and obligations under this Agreement to an affiliate of SBC-ASU8-State without the consent of CLEC. Nothing in this section is intended to impair the right of either Party to utilize subcontractors.

2. BILLING AND TERMS OF PAYMENT

- A. SBC-ASU8-State or its billing agent will bill CLEC (and not CLEC's Customer) and CLEC will pay to SBC-ASU8-State or its billing agent on a monthly basis the charges set forth in this Agreement. The charges will commence on the date Service is made available by SBC-ASU8-State under the applicable Agreement.
- B. Remittance in full of all bills rendered by SBC-ASU8-State is due on the date specified on the bill (the "Payment Date") and shall be paid by that in accordance with the terms of this Agreement by the Payment Date.
- C. A late payment charge shall be assessed by SBC-ASU8-State or its billing agent on any charges not received by the Payment Date. The late payment charge shall be calculated according to the prevailing collections policy in place by SBC-ASU8-State or its billing agent in each jurisdiction, based on per month invoiced charges or portion thereof, for the period from the Payment Date until the payment is received, but in no event will such charge exceed the maximum amount allowed by law. If this charge would exceed the maximum allowable charge in any jurisdiction where the

Services have been provided but for which payment has not been received, the late payment charge shall be calculated at the maximum allowed by such jurisdiction.

D. If any portion of an amount due to SBC-ASU8-State for Resale Services or Network Elements under this Agreement is subject to a bona fide dispute between the Parties, CLEC shall, prior to the Payment Date, give written notice to SBC-ASU8-State of the amounts it disputes ("Disputed Amounts") and include in such written notice the specific details and reasons for disputing each disputed item on the bill. CLEC shall pay by the Payment Date (i) all undisputed amounts to SBC-ASU8-State, and (ii) all Disputed Amounts into an interest bearing escrow account with a Third Party escrow agent mutually agreed upon by the Parties. To be acceptable, the Third Party escrow agent must meet all of the following criteria:

- (1) The financial institution proposed as the Third Party escrow agent must be located within the continental United States;
- (2) The financial institution proposed as the Third Party escrow agent may not be an Affiliate of either Party; and
- (3) The financial institution proposed as the Third Party escrow agent must be authorized to handle Automatic Clearing House (ACH) (credit transactions) (electronic funds) transfers.
- (4) In addition to the foregoing requirements for the Third Party escrow agent, CLEC and the financial institution proposed as the Third Party escrow agent must agree that the escrow account will meet all of the following criteria:
 - a) The escrow account must be an interest bearing account;
 - b) All charges associated with opening and maintaining the escrow account will be borne by CLEC;
 - c) That none of the funds deposited into the escrow account or the interest earned thereon may be subjected to the financial institution's charges for serving as the Third Party escrow agent;
 - d) All interest earned on deposits to the escrow account shall be disbursed to the Parties in the same proportion as the principal; and
 - e) Disbursements from the escrow account shall be limited to those:
 - 1) authorized in writing by both the disputing Party and the Billing Party (that is, signature(s) from representative(s) of the disputing Party only are not sufficient to properly authorize any disbursement);
or

- 2) made in accordance with the final, order resolving the dispute.
- (5) Issues related to Disputed Amounts shall be resolved in accordance with the procedures identified in the Dispute Resolution provisions set forth in Section 8 of this Agreement.
 - (6) Following resolution of the dispute, the Parties shall cooperate to ensure that all of the following actions are taken:
 - a) To the extent the dispute is resolved in favor of CLEC, SBC-ASU8-State shall credit the invoice of CLEC for that portion of the Disputed Amounts resolved in favor of CLEC, together with any Late Payment Charges assessed with respect thereto no later than the second Payment Date after the resolution of the Dispute and within fifteen (15) calendar days after resolution of the Dispute, the portion of the escrowed Disputed Amounts resolved in favor of the CLEC shall be released to CLEC, together with any accrued interest thereon;
 - b) To the extent the dispute is resolved in favor of SBC-ASU8-State, within fifteen (15) calendar days after resolution of the Dispute, the portion of the Disputed Amounts resolved in favor of SBC-ASU8-State shall be released to the SBC-ASU8-State, together with any accrued interest thereon and no later than the third Bill Due Date after the resolution of the dispute regarding the Disputed Amounts, CLEC shall pay SBC-ASU8-State the difference between the amount of accrued interest such SBC-ASU8-State received from the escrow disbursement and the amount of Late Payment Charges such SBC-ASU8-State is entitled to receive pursuant to this Agreement.
- E. Adjustments for the quantities of Services established or discontinued in any billing period beyond the minimum period of one (1) month will be prorated.
- F. Taxes
- (1) With respect to any purchase of Service under this Agreement, if any Federal, state or local government tax, fee, surcharge, or other tax-like charge (a "Tax") is required or permitted by applicable law, ordinance or tariff to be collected from a purchasing Party by the providing Party, then (i) the providing Party will bill, as a separately stated item, the purchasing Party for such Tax, (ii) the purchasing Party will timely remit such Tax to the providing Party, and (iii) the providing Party will remit such collected Tax to the applicable taxing authority.
 - (2) If the providing Party does not collect a Tax because the purchasing Party asserts that it is not responsible for the Tax or is otherwise excepted from the obligation, which is later determined by formal action to be wrong then, as between the providing Party and the purchasing Party, the purchasing Party

will be liable for such uncollected Tax and any interest due and/or penalty assessed on the uncollected Tax by the applicable taxing authority or governmental entity.

- (3) If either Party is audited by a taxing authority or other governmental entity 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.
- (4) If applicable law excludes or exempts a purchase of Services under this Agreement from a Tax, and if such applicable law also provides an exemption procedure, such as an exemption certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party, subject to section 2.G(2), will not collect such Tax during the effective period of the exemption. Such exemption will be effective upon receipt of the exemption certificate or affidavit.

If applicable law excludes or exempts a purchase of Services under this Agreement from a Tax, but does not also provide an exemption procedure, then the providing Party will 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 and identifying the applicable law which allows such exemption, and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless on an after-tax basis with respect to forbearing to collect such Tax.

- (6) With respect to any Tax or Tax controversy covered by this section G, the purchasing Party will be entitled to contest, pursuant to applicable law, and at its own expense, any Tax that it is ultimately obligated to pay. The purchasing Party will be entitled to the benefit of any refund or recovery resulting from such a contest. The providing Party will cooperate in any such contest.

Failure to include Taxes on an invoice or to state a Tax separately shall not impair the obligation of the purchasing Party to pay any Tax. Nothing shall prevent the providing Party from paying any Tax to the appropriate taxing authority prior to the time: (1) it bills the purchasing Party for such Tax or (2) it collects the Tax from the purchasing Party. Notwithstanding anything in this Agreement to the contrary, the purchasing Party shall be liable for and the provisioning Party may collect Taxes which were assessed by or paid to an appropriate taxing authority within the statute of limitations period but not included on an invoice within four (4) years after the Tax otherwise was owed or due.

G. Failure to Pay

- (1) Failure of CLEC to pay charges may be grounds for termination of this Agreement. If CLEC fails to pay, as specified in this Agreement, any and all charges billed to them under this Agreement ("Unpaid Charges") and any portion of such charges remain unpaid more than fifteen (15) calendar days after the Payment Date of such Unpaid Charges, SBC-ASU8-State or its billing agent will notify CLEC in writing that in order to avoid having service disconnected, CLEC must remit all Unpaid Charges, whether disputed or undisputed, to SBC-ASU8-State or its billing agent within fifteen (15) calendar days after receipt of said notice. Disputes hereunder will be resolved in accordance with the Dispute Resolution Procedures set forth in section 8 of this Agreement.
- (2) If CLEC charges remain unpaid and undisputed thirty (30) calendar days past the Payment Date of the Unpaid Charges as described above, CLEC will, at its sole expense, notify its Customers that their Service may be disconnected because of CLEC's failure to pay Unpaid Charges, and that CLEC's Customers must select a new service provider within fifteen (15) calendar days.
- (3) If any CLEC charges remain unpaid and undisputed forty-five (45) calendar days past the Payment Date, SBC-ASU8-State will disconnect Service to CLEC.
- (4) SBC-ASU8-State may discontinue service to CLEC upon failure to pay Unpaid Charges as provided in this section, and will have no liability to CLEC or CLEC's Customer in the event of such disconnection.
- (5) After disconnect procedures have begun, SBC-ASU8-State will not accept service orders from CLEC until all Unpaid Charges are paid. SBC-ASI/8-State will have the right to require a deposit equal to one (1) month's charges (based on the highest previous month of service from SBC-ASU8-State) prior to resuming Service to CLEC after disconnect for nonpayment.
- (6) Beyond the specifically set out limitations in this section, nothing herein will be interpreted to obligate SBC-ASU8-State to continue to provide Service to any such CLEC Customer or to limit any and all disconnection rights SBC-ASI/8-State may have with regard to such CLEC Customers.

3. WARRANTY, MAINTENANCE AND LIMITATION OF LIABILITY

A. SBC-ASU8-STATE WARRANTS THAT THE SERVICE WILL BE INSTALLED AND MAINTAINED IN GOOD WORKING ORDER AND

THAT THE SERVICE WILL PERFORM SUBSTANTIALLY IN ACCORDANCE WITH THE REQUIREMENTS OF THIS AGREEMENT.

- B. THIS WARRANTY DOES NOT COVER REPAIRS FOR DAMAGES CAUSED BY ANY NEGLIGENCE, ACT OR OMISSION OF CLEC OR ITS CUSTOMER OR THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. EXCEPT AS SPECIFICALLY PROVIDED FOR IN SUBSECTION A ABOVE WITH RESPECT TO SERVICE, SBC-ASU8-STATE EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE SERVICE, INTERCONNECTION, COLLOCATION, OR NETWORK ELEMENTS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- C. SBC-ASU8-STATE'S SOLE LIABILITY, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), FOR ANY FAILURE, DEFECT, ERROR, LOSS, OR OMISSION IN THE PROVISION OF THE SERVICE ("SERVICE INTERRUPTION"), INTERCONNECTION, COLLOCATION, OR NETWORK ELEMENTS, OF ANY KIND INCLUDING, BUT NOT LIMITED TO, SERVICE INTERRUPTION ALLEGED TO BE CAUSED BY CLEC'S DEFECTIVE EQUIPMENT OR CLEC'S CUSTOMER OWNED OR PROVIDED EQUIPMENT OR CUSTOMER PREMISES EQUIPMENT ("CUSTOMER EQUIPMENT"), EVEN IF PROVIDED OR INSTALLED BY SBC-ASU8-STATE, IS LIMITED TO REFUND OF THE PROPORTIONATE CHARGE FOR THE PERIOD DURING WHICH THE SERVICE, INTERCONNECTION, COLLOCATION OR NETWORK ELEMENT WAS AFFECTED.
- D. IN NO EVENT WILL SBC-ASU8-STATE BE LIABLE TO CLEC, UNDER ANY CIRCUMSTANCES, FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST REVENUE, FAILURE TO REALIZE EXPECTED SAVINGS AND LOSS OF DATA, REGARDLESS OF THE FORM OF ACTION AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.
- E. SBC-ASU8-STATE RESERVES THE RIGHT TO TEMPORARILY SUSPEND SERVICE TO ALLOW FOR MAINTENANCE.

4. INDEMNITY AND INSURANCE

- A. As to the Services, CLEC shall indemnify, defend and hold harmless SBC-ASI/8-State, its parents, affiliates and subsidiaries, and their respective, officers, directors, employees, agents, successors and assigns from and against any claim, loss or damage involving:

- (1) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from CLEC's own communications;
 - (2) Claims for patent infringement arising from CLEC's acts of combining or using the Services in connection with Customer Equipment; or
 - (3) All other claims arising out of any act or omission of CLEC.
- B. As to the Services, SBC-ASI/8-State shall indemnify, defend and hold harmless CLEC from and against:
- (1) Any claim or threat of claim brought by a third party which arises out of any claim or suit for direct damages or relief on account of injury to or death of any person or damage to tangible personal or real property caused solely by SBC-ASI/8-State's negligence or willful misconduct in the course of SBC-ASI/8-State's performance under this Agreement.
 - (2) Any claim or threat of claim brought by any third party alleging the Services infringe such party's patents, trademarks or copyright ("Intellectual Property"), provided that CLEC: (a) followed SBC-ASU8-State's reasonable instructions for use of any Intellectual Property associated with the Services; (b) did not modify the Services; (c) notifies SBC-ASI/8-State promptly and in writing of any such claims; and (d) cooperates with and permits SBC-ASU8-State to control the defense, settlement or other handling of such claim or threatened claim. SBC-ASU8-State shall not be responsible for any claims resulting from CLEC's combination of the Services with other products or services or Customer Equipment. If one (1) or more of the Services shall be found not to conform to any Intellectual Property warranty, CLEC's sole remedy against SBC-ASU8-State shall be, at SBC-ASU8-State's option, for SBC-ASU8-State to: (a) defend CLEC against such infringement claim; or (b) to substitute other functionally equivalent SBC-ASU8-State services.
- C. CLEC acknowledges that its right under this Agreement to interconnect with SBC-ASI/8-State's network may be subject to or limited by Intellectual Property rights (including without limitation, patent, copyright, trade secret, trade mark, service mark, trade name and trade dress rights) and contract rights of third parties.
- D. At all times during the term of this Agreement, each Party shall keep and maintain in force at its own expense the following minimum insurance coverage and limits and any additional insurance and/or bonds required by Applicable Law:
- (1) Workers' Compensation insurance with benefits afforded under the laws of each state covered by this Agreement and Employers Liability insurance with minimum limits of \$100,000 for Bodily Injury-each accident, \$500,000 for Bodily Injury by disease-policy limits and \$100,000 for Bodily Injury by disease-each employee.

- (2) Commercial General Liability insurance with minimum limits of \$2,000,000 General Aggregate limit; \$1,000,000 each occurrence sub-limit for all bodily injury or property damage incurred in any one occurrence; \$1,000,000 each occurrence sub-limit for Personal Injury and Advertising; \$2,000,000 Products/Completed Operations Aggregate limit, with a \$1,000,000 each occurrence sub-limit for Products/Completed Operations. CLEC shall have SBC-ASU8-State named as an Additional Insured on its Commercial General Liability policies applicable to a state and/or region covered by this Agreement. CLEC shall not be required under this Agreement to obtain insurance coverage with policy limits in excess of those stated herein; however, should CLEC obtain Commercial General Liability insurance in excess of the minimums coverage limits set forth herein, it shall have SBC ASU8 State named as an additional insured on those policies as well.
- (3) If use of an automobile is required, Automobile Liability insurance with minimum limits of \$1,000,000 combined single limits per occurrence for bodily injury and property damage, which coverage shall extend to all owned, hired and non-owned vehicles.
- (4) Each Party shall require subcontractors providing services under this Agreement to maintain in force the insurance coverage and limits required in Sections 4.D of this Agreement.
- (5) The Parties agree that companies affording the insurance coverage required under Section 4.D shall have a rating of B+ or better and a Financial Size Category rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. Upon request from the other Party, each Party shall provide to the other Party evidence of such insurance coverage.
- (6) Each Party agrees to provide the other Party with at least thirty (30) calendar days advance written notice of cancellation, material reduction or non-renewal of any of the insurance policies required herein.
- (7) Each Party agrees to accept the other Party's program of self-insurance in lieu of insurance coverage if certain requirements are met. These requirements are as follows:
 - a) The Party desiring to satisfy its Workers' Compensation and Employers Liability obligations through self-insurance shall submit to the other Party a copy of its Certificate of Authority to Self-Insure its Workers' Compensation obligations issued by each state covered by this Agreement or the employer's state of hire; and
 - b) The Party desiring to satisfy its automobile liability obligations through self-insurance shall submit to the other Party a copy of the state-issued

letter approving self-insurance for automobile liability issued by each state covered by this Agreement; and

- c) The Party desiring to satisfy its general liability obligations through self-insurance must provide evidence acceptable to the other Party that it maintains at least an investment grade (e.g., B+ or higher) debt or credit rating as determined by a nationally recognized debt or credit rating agency such as Moody's, Standard and Poor's or Duff and Phelps.

(8) This Section 4.D is a general statement of insurance requirements and shall be in addition to any specific requirement of insurance referenced elsewhere in this Agreement or a Referenced Instrument.

5. FORCE MAJEURE

- A. SBC-ASU8-State will not be liable for any loss or damage resulting from any cause beyond SBC-ASU8-State's reasonable control, such as, but not limited to, fire, explosion, lightning, flood, earthquake, power surges or failures, strikes or labor disputes, floods, storms, tornadoes, acts of war, civil disturbances, acts of civil or military authorities or the public enemy, delays caused by CLEC, Customer Equipment or CLEC service or equipment vendors or any other cause beyond SBC-ASI/8-State's control.
- B. On the occurrence of any such event and to the extent such occurrence interferes with SBC-ASI/8-State's obligation under this Agreement, SBC-ASU8-State will be excused from such obligations during the period of such interference, provided that SBC-ASU8-State uses all reasonable efforts available to SBC-ASU8-State to avoid or remove such causes of inability to meet such obligation.

6. LEFT INTENTIONALLY BLANK

7. CONFIDENTIALITY AND PROPRIETARY INFORMATION

- A. For the purposes of this Agreement, "Confidential Information" means confidential or proprietary technical or business information given by the disclosing Party ("Discloser") to the receiving Party ("Recipient"). All information which is disclosed by one (1) Party to the other in connection with this Agreement, during negotiations and the term of this Agreement, will automatically be deemed proprietary to the Discloser and subject to this Agreement, unless otherwise confirmed in writing by the Discloser. In addition, by way of example and not limitation, all orders placed by CLEC pursuant to this Agreement, and information that would constitute Customer Proprietary Network Information ("CPNI") of CLEC's Customers pursuant to the Act and the rules and regulations of the FCC, whether disclosed by CLEC to SBC-ASI/8-State or otherwise acquired by SBC-ASU8-State in the course of meeting the

- obligations of this Agreement, will be deemed Confidential Information of CLEC for all purposes under this Agreement.
- B. For a period of five (5) years from the receipt of Confidential Information from the Discloser, except as otherwise specified in this Agreement, the Recipient agrees (1) to use it only for the purpose of performing under this Agreement, (2) to hold it in confidence and disclose it to no one other than its employees having a need to know for the purpose of performing under this Agreement, and (3) to safeguard it from unauthorized use or disclosure using at least the same degree of care with which the Recipient safeguards its own Confidential Information. If the Recipient wishes to disclose the Discloser's Confidential Information to a third party agent or consultant, such disclosure must be agreed to in writing by the Discloser, and the agent or consultant must have executed a written agreement of nondisclosure and nonuse comparable in scope to the terms of this section.
- C. The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies will be subject to the same restrictions and protections as the original and will bear the same copyright and proprietary rights notices as are contained on the original.
- D. The Recipient agrees to return all Confidential Information in tangible form received from the Discloser, including any copies made by the Recipient within thirty (30) calendar days after a written request is delivered to the Recipient, or to destroy all such Confidential Information if directed to do so by Discloser except for Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement. If either Party loses or makes an unauthorized disclosure of the other Party's Confidential Information, it will notify such other Party immediately and use reasonable efforts to retrieve the lost or wrongfully disclosed information.
- E. The Recipient will have no obligation to safeguard Confidential Information: (1) which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser, (2) after it becomes publicly known or available through no breach of this Agreement by the Recipient; (3) after it is rightfully acquired by the Recipient free of restrictions on its disclosure; or (4) after it is independently developed by personnel of the Recipient to whom the Discloser's Confidential Information had not been previously disclosed. In addition, either Party will have the right to disclose Confidential Information to any mediator, arbitrator, state, or federal regulatory body, or a court in the conduct of any mediation, arbitration or approval of this Agreement, so long as, in the absence of an applicable protective order, the Discloser has been promptly notified by the Recipient and so long as the Recipient undertakes all lawful measures to avoid disclosing such information until Discloser has had reasonable time to negotiate a protective order with any such mediator, arbitrator, state or regulatory body or a court, and complies with any protective order that covers the Confidential Information.

- F. The Parties acknowledge that an individual End User may simultaneously seek to become or be a Customer of both Parties. Nothing in this Agreement is intended to limit the ability of either Party to use Customer specific information lawfully obtained from End Users or sources other than the Disclosing Party.
- G. Each Party's obligations to safeguard Confidential Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination.
- H. Except as otherwise expressly provided elsewhere in this Agreement, no license is hereby granted under any patent, trademark, or copyright, nor is any such license implied solely by virtue of the disclosure of any Confidential Information.
- I. Each Party agrees that the Discloser may be irreparably injured by a disclosure in breach of this Agreement by the Recipient or its representatives and the Discloser will be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach or threatened breach of the confidentiality provisions of this Agreement. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.
- J. CLEC authorizes SBC-ASU8-State to share Confidential Information held by SBC-ASU8-State with SBC-ASU8-State's affiliates and SBC-ASU8-State's billing agent as is reasonably necessary to accomplish the purposes of this Agreement.
- K. CLEC agrees that it will not use SBC-ASU8-State, its parents, affiliates, or subsidiaries' name, marks, or any language from which the connection of said names, marks therewith may be inferred or implied in any advertising, sales, sales promotion, press release, other publicity marketing or sales matters or in any other written document or oral statement relating to the Service, without SBC-ASU8-State's express written permission. CLEC will not in any way suggest or imply that SBC-ASI/8-State endorses or recommends the quality, reliability, or any other aspect of the service provided by CLEC to CLEC's Customers.

8. DISPUTE RESOLUTION

- A. Alternative to Litigation. The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following dispute resolution procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

B. Billing Disputes.

- (1) The Parties will endeavor to resolve the dispute within thirty (30) calendar days of the Payment Date on which such disputed charges are due.

C. Formal Resolution of Disputes.

- (1) Except as otherwise specifically set forth in this Agreement, for all disputes arising out of or pertaining to this Agreement, including but not limited to matters not specifically addressed elsewhere in this Agreement which require clarification, renegotiation, modifications or additions to this Agreement, either Party may invoke dispute resolution procedures available pursuant to the dispute resolution rules, as amended from time to time, of the appropriate state Commission. Also, upon mutual agreement, the Parties may seek commercial binding arbitration as specified in section 8D.
- (2) The Parties agree that the dispute resolution procedures set forth in this Agreement are not intended to conflict with the applicable provisions of the Act or of the appropriate state Commission with regard to procedures for the resolution of disputes arising out of this Agreement.

D. Arbitration. When both Parties agree to binding arbitration, disputes will be submitted to a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or pursuant to such other provider of arbitration services or rules as the Parties may agree. When the dispute relates to multiple states, the arbitration will be held in San Antonio, Texas, unless the Parties agree otherwise. When the dispute relates to only one state, the arbitration will be held in the capital City of that state, unless the Parties agree otherwise. The arbitration hearing will be requested to commence within ~~Sixty~~ (60) calendar days of the demand for arbitration. The arbitrator will control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs upon a schedule determined by the arbitrator. The Parties will request that the arbitrator rule on the dispute by issuing a written opinion within thirty (30) calendar days after the close of hearings. The arbitrator has no authority to order punitive or consequential damages. The times specified in this section may be extended or shortened upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Each Party will bear its own costs of these procedures other than the fees of the arbitration and the arbitrator, which will be split equally between the Parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

9. LAW ENFORCEMENT AND CIVIL PROCESS

A. Intercept Devices. Local and federal law enforcement agencies periodically request information or assistance from telecommunications carriers. When either Party receives a request associated with a Customer of the other Party, that Party will comply with any valid request, to the extent the receiving party is able to do so; if

such compliance requires the assistance of the other Party such assistance will be provided.

- B. Subpoenas. If a Party receives a subpoena for information concerning an End User the Party knows to be a Customer of the other Party, the receiving Party will refer the subpoena to the requesting entity with an indication that the other Party is the responsible company. Provided, however, if the subpoena requests records for a period of time during which the receiving Party was the End User's service provider, the receiving Party will respond to any valid request to the extent the receiving Party is able to do so; if response requires the assistance of the other Party such assistance will be provided.

10. GENERAL PROVISIONS

- A. Non-Waiver. The failure of SBC-ASI/8-State or CLEC to insist upon strict performance of any provision of this Agreement in any one (1) or more instances will not be construed as a waiver or relinquishment for the future of any such provision, but the same will be and remain in full force and effect.
- B. Headings. Section headings contained in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement.
- C. Notices. All notices or other communications hereunder will be deemed to have been fully given when made by confirmed facsimile or similar confirmed communication, made in writing and delivered in person, or deposited in the United States mail, postage prepaid, and addressed as follows:

To CLEC: Michael McAlister- General Counsel
8525 Riverwood Park Drive
North Little Rock, AR 72113
Fax: 501-954-4000

To SBC-ASI: Area Manager - Interconnection
300 Convent Avenue
Room 171`06
San Antonio, Texas 78205
Fax: 210-246-8279

Copy to: Legal Department
SBC Advanced Solutions, Inc.
300 Convent Street, 18th Floor
San Antonio, Texas 78205
Attention: General Counsel

Either Party may unilaterally change any of its notice information above by giving written notice to the other Party pursuant to this section. Any notice to change the notice information shall be deemed effective ten (10) calendar days following receipt by the other Party.

- D. Governing Law. When the dispute relates to multiple states, this Agreement will be construed in accordance with and be governed by the domestic laws of the State of Texas. If the dispute relates to only one state, this Agreement will be construed in accordance with and be governed by the domestic laws of that state.
- E. Releases. Subject to any agreement or provisions regarding collocation, neither SBC-ASI/8-State nor CLEC will require waivers or releases of any rights from representatives of the others in connection with visits to SBC-ASU8-State's, CLEC's or CLEC's Customer's premises, and no such releases or waivers will be pleaded or otherwise asserted by SBC-ASU8-State or CLEC in any action or proceeding.
- F. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of SBC-ASU8-State and CLEC will be construed and enforced accordingly.
- G. Survival. Obligations, which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, will survive termination, cancellation or expiration of this Agreement.
- H. Consent. Where consent, approval, or mutual agreement is required of a Party, it will not be unreasonably withheld.
- I. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which will together constitute but one and the same document.
- J. Relationship of Parties/Independent Contractor. Each Party is an independent contractor, and has and hereby retains the right to exercise *full* control of and supervision over its own performance of its obligations under this Agreement and retains *full* control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party will be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own

affiliates, employees, agents and contractors during the performance of the Party's obligations hereunder.

- K. Amendments and Waivers. Except as otherwise provided in this Agreement, no amendment or waiver of any provision of this Agreement and no consent to any default under this Agreement will be effective unless the same is in writing and signed by an officer of the Party against whom such amendment, waiver or consent is claimed. In addition, no course of dealing or failure of a Party strictly to enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right, or condition.
- L. Access. CLEC will assure that SBC-ASU8-State is provided reasonable access to all CLEC or CLEC's Customer demarcation at all reasonable hours for the purpose of installing, inspecting, testing, rearranging, maintaining, repairing or removing the Services.

RESALE, ORDERING, PROVISIONING, AND MAINTENANCE

11. RESALE

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

- A. At the request of CLEC, and pursuant to the requirements of the Act, the Services that SBC-ASU8-State currently provides or hereafter provides at retail to subscribers who are not telecommunications carriers will be made available for resale to CLEC by SBC-ASU8-State in accordance with the terms and conditions set forth in this Agreement. SBC-ASU8-State shall make its Services available for resale to CLEC on terms and conditions that are reasonable and nondiscriminatory. SBC-ASU8-State will not prohibit, nor impose unreasonable or discriminatory conditions or limitations on the resale of its Services.
- B. SBC-ASU8-State is not required to make Services available for resale at wholesale rates to CLEC for its own use or for the use of any of CLEC's affiliates and/or subsidiaries or the use of CLEC's parent or any affiliate and/or subsidiary of CLEC's parent, if any. Further, to the extent CLEC resells Services that require certification on the part of the CLEC's Customer, CLEC will ensure that the CLEC's Customer has received proper certification and complies with all rules and regulations as established by the Commission. CLEC represents and warrants to SBC-ASU8-State that it is authorized to resell the Services and will obtain all regulatory and other certificates, licenses and right-to-use authorizations needed to resell the Services and will provide this documentation to SBC-ASI/8-State before the Services are ordered by CLEC. Such Services are subject in all respects to the provisions of this Agreement, including, but not limited to, geographical limits, applicable laws, and publicity.

- C. CLEC will not use the Services covered by this Agreement to provide interconnection services, intrastate or interstate access services or to avoid intrastate or interstate access charges to itself, inter-exchange carriers ("IXCs"), wireless carriers, competitive access providers ("CAPs"), or other telecommunications providers. Provided however, that CLEC may permit its Customers to use resold Services to access IXCs, wireless carriers, CAPS, or other retail telecommunications providers. For purposes of determining eligibility to resell volume discount offerings, CLEC may aggregate multiple customers' volumes under the relevant retail offering to meet the minimal level of demand.
- D. CLEC may at any time add or delete features to or relocate (subject to the provisions of this Agreement) the Services where available for CLEC's Customers except for grandfathered services. CLEC may only resell grandfathered Services to Customers that are eligible to receive grandfathered Services from SBC-ASI/8-State.
- (1) In California only, in compliance with the applicable rules and orders of the California Public Utility Commission, SBC-ASU8-State will provide CLEC with sixty (60) calendar days notice that such Services will be grandfathered.
 - (2) In all other states, SBC-ASU8-State may grandfather SBC-ASU8-State's Services with ninety (90) calendar days notice to CLEC that such Services will be grandfathered.
- E. CLEC will handle all questions from CLEC's Customers relating to the Services being resold.
- F. Promotions, Pricing, Wholesale Discount
- (1) In Kansas, Missouri, and Texas, SBC-ASU8-State will offer promotions of ninety (90) calendar days or less to CLEC for resale at the promotional rate without a wholesale discount. In all other states, promotions of ninety (90) calendar days or less will not be available to the CLEC for resale.
 - (2) For promotions of more than ninety (90) calendar days, SBC-ASU8-State will make the Services available at the avoided cost resale discount from the promotional rate.
 - (3) Pricing for the resale of SBC-ASU8-State's Services is set forth in Schedule A to this Agreement. Prices in the applicable tariffs are subject to change with fifteen (15) calendar days notice. The CLEC will be advised of any such change.

(4) Where applicable, the interim avoided cost resale discount will be:

State	Interim Avoided Cost Discount
Arkansas	21.6%
California	17%
Connecticut	25.4%
Kansas	21.6%
Missouri	19.2%
Nevada	18.05%
Oklahoma	19.8%
Texas	21.6%

These interim rates are subject to true up when the appropriate state Commission adopts a permanent avoided cost discount rate applying to SBC-ASU8-State's Services. The avoided cost resale discount does not apply to the resale of DSL Transport Service that SBC-ASU8-State sells to Internet Service Providers.

Where applicable, and subject to the Conditions for FCC Order Approving SBC/Ameritech Merger, CC Docket No. 98-141, paragraphs 47-49 ("FCC Merger Conditions"), SBC-ASU8-State will provide CLEC the promotional resale avoided cost discount at the rates set forth in the FCC Merger Conditions for the period specified therein on telecommunications services that SBC-ASU8-State provides at retail to residential End User Customers who are not telecommunications carriers when CLEC resells such telecommunications services to residential End User Customers. Such provision of the promotional resale discount is subject to CLEC's qualification and compliance with the provisions of the FCC Merger Conditions. For purposes of calculating the intervals set forth in the FCC Merger Conditions concerning the time period for offering the promotional resale avoided cost discount, the Merger Closing Date is October 8, 1999 and the commencement of the Offering Window Date was November 7, 1999.

G. SBC-ASU8-State will make available to CLEC for resale at the wholesale discount rate shown herein new Customer Service Contracts ("CSCs") that SBC-ASU8-State sells to retail Customers. CLEC may resell new CSCs only to Customers similarly situated to SBC-ASU8-State's retail CSC Customer.

H. In the states of Kansas, Missouri and Texas, SBC-ASI/8-State will make available to CLEC for resale existing CSCs that SBC-ASU8-State sells to retail Customers. CLEC will assume in writing the balance of the terms, including volume, term and termination liability in such existing contract with a current retail or resold SBC-ASI/8-State Customer at the time of conversion. An assumption of an existing contract where the terms and conditions are not altered, excepting wholesale discount, will not constitute grounds for collection of a termination liability. The following avoided cost resale discount will apply in lieu of the interim avoided cost resale discount indicated in Section 11, paragraph F. (4), above:

State	Existing Non-Tariffed CSC	Existing Term Volume Tariffed Contract
Kansas	5.0%	8.0"/0
Missouri	<u>No Discount</u>	No Discount
Texas	<u>5.62%</u>	8.04%

- I. In California, a CLEC may not assume Customer Specific Contracts ("CSC"). A CLEC may request a CSC that has the same terms and conditions as an SBC-ASI CSC to resell to a similarly situated customer. If a CLEC request to resell a CSC to an existing SBC-ASI customer, the CLEC shall not assume the CSC. Pursuant to the terms of the CSC, the End User shall be responsible for termination liability for the remainder of the CSC term. The CLEC may resell a new CSC that "mirrors" (e.g. all same terms and conditions including same end date) the old terminated CSC. In the case of reselling a new CSC's to a similarly situated End User, the 17% wholesale discount shall apply.
- J. Services are subject to resale under this Agreement only where such Services have been deployed by SBC-ASU8-State and only where there is existing capacity on SBC-ASU8-State's deployed facilities to provide the Services.
- K. SBC-ASU8-State will recognize CLEC as the Customer of record for all Services ordered by CLEC and will send all notices, invoices and pertinent information directly to CLEC.
- L. Where SBC-ASU8-STATE has a currently effective tariff, the rates in the tariff shall apply, subject to any applicable discount.

12. PRE-ORDERING AND ORDERING

- A. Non-DSL Service Orders. The procedures for placing an order to resell SBC-ASI/8-State's non-DSL Services are addressed in section 20 (Ordering and Terminating Non-DSL Services).
- B. DSL Service Orders. The procedures for placing an order to resell SBC-ASI/8-State's DSL Transport Service are addressed in section 25 (Ordering and Terminating DSL Transport Service) and section 26 (DSL Transport Operational Support Systems). SBC-ASI/8-State will provide non-discriminatory access to the same pre-ordering loop information available to SBC-ASU8-State.

13. INSTALLATION

- A. SBC-ASU8-State will provide CLEC with an installation date for the Service. Subject to subsection C below, no deviations from the installation date shall occur without the approval of SBC-ASU8-State. SBC-ASU8-State will provide installation of Service to CLEC within due date intervals that are at least equal to that provided to SBC-

ASU8-State retail Customers for services where no installation of facilities is required on SBC-ASU8-State's side of the demarcation point.

- B. Installation of the Service may require the installation of certain equipment and facilities on SBC-ASU8-State's side of the demarcation. Consistent with the availability of such equipment and facilities, installation of the Services shall be established by SBC-ASU8-State as provided in subsection A above. Installation shall be deemed to have occurred on the date when the Services are provided.
- C. If installation is delayed due to changes not initiated by SBC-ASU8-State, for example, the acts or omissions of CLEC, CLEC's Customer or a contractor, or due to any force majeure occurrence, SBC-ASU8-State shall have the right to extend installation for a reasonable period of time at least equal to the period of such delay. Any delays in installation must be communicated as soon as practical between the Parties.
- D. Provision of the Service is subject to the availability and operational limitations of the requisite equipment and associated facilities and the connectivity being established to the CLEC's network.
- E. If the Service requires use of Customer Equipment, such Customer Equipment must be compatible with SBC-ASU8-State's equipment and facilities and must conform to industry standards and specifications as outlined in this Agreement.
- F. CLEC shall ensure the continuing compatibility of Customer Equipment. CLEC shall be responsible for the installation, operation and maintenance of Customer Equipment. No combination of Customer Equipment shall: require change in or alteration of the equipment or the Services; cause electrical hazards to SBC-ASI/8-State's personnel or damage to SBC-ASI/8-State's equipment; or cause degradation of the Service to persons other than the user of the subject terminal equipment or communications system. Upon notice from SBC-ASU8-State that Customer Equipment is causing such hazard, damage, malfunction or degradation of the Service, CLEC shall promptly make such changes as shall be necessary to remove or prevent such hazard, damage, malfunction or degradation of the Service. SBC-ASI/8-State may disconnect or take off line any Customer Equipment that is degrading Service where CLEC is not responding in a reasonable amount of time to remove or prevent such hazards, damage, and function or degradation of Service.
- G. SBC-ASU8-State may subcontract any portion of the Services to be performed without notice to and prior approval of CLEC.
- H. The Services shall not be used for an unlawful purpose or used in an abusive manner. Abusive use includes:
 - (1) The use of the Service, anonymously or otherwise, in a manner reasonably expected to frighten, abuse, torment or harass another; or

- (2) The use of the Service in such a manner as to interfere unreasonably with the use of Services by one (1) or more other SBC-ASU8-State Customers. When such use occurs, SBC-ASU8-State may terminate the Services being used in an abusive manner with no liability, and CLEC shall indemnify, defend and hold harmless the SBC-ASU8-State from and against any claim, loss or damage arising out of such use.
- I. SBC-ASU8-State may make changes in its services, equipment, operations or procedures, including those related to the Service, where such action is not inconsistent with the proper operation of the Service. If any such change can be reasonably expected to render any of the CLEC equipment incompatible or otherwise materially affect its use or performance, CLEC will be provided written notice in advance of the change.
- J. CLEC shall reimburse SBC-ASU8-State for damages to SBC-ASU8-State facilities used to provide the Services caused by the negligence or willful act of CLEC or CLEC's Customer or resulting from CLEC's or CLEC's Customer's improper use of SBC-ASU8-State facilities, or due to the malfunction of any facilities or equipment provided by someone other than SBC-ASU8-State. Upon agreement for reimbursement of damages, SBC-ASU8-State will cooperate with CLEC in prosecuting a claim against the person causing such damage. CLEC shall be subrogated to the right of recovery by SBC-ASU8-State for damages to the extent of such payment.
- K. SBC-ASU8-State will provide notice to CLEC of order completion within intervals that are at least equal to those provided for SBC-ASU8-State retail Customers.

15. MAINTENANCE

- A. SBC-ASU8-State will provide repair, maintenance, testing, and surveillance for all Services in accordance with this Agreement. SBC-ASU8-State will provide maintenance for all Services resold by CLEC under this Agreement at levels equal to the maintenance provided by SBC-ASU8-State in serving its Customers. Such maintenance requirements will include, but not limited to, those applicable to testing and network management. SBC-ASU8-State reserves the right to temporarily suspend service during a maintenance window on any equipment. If SBC-ASI/8-State intends to use the maintenance window, SBC-ASU8-State will give CLEC prior notice.
- B. Maintenance Applications
 - (1) In ASI-West and ASI-Central, CLEC and SBC-ASU8-State agree to work together to implement the following electronic functions using the SBC-ASI/8-State trouble management system. This process may include for DSL Transport Services:

- a) the ability to enter a new trouble ticket electronically; and
- b) the ability to retrieve and track the current status trouble ticket.

- (2) In ASI-West and ASI-Central, SBC-ASU8-State agrees to notify CLEC of upgrades to existing test systems and the deployment of new test systems within SBC-ASU8-State and to negotiate with CLEC to allow CLEC to use such systems through a controlled interface.
- (3) In ASI-Northeast, CLEC and SBC-ASU8-State agree to work together to implement a maintenance process using the ASI-Northeast trouble management system.

C. Repair Service Response

SBC-ASU8-State will provide repair service that is at least equal in quality to that provided to SBC-ASU8-State Retail Customers. Trouble calls from CLEC will receive response time and priorities that are at least equal to that of SBC-ASI/8-State Retail Customers.

D. Intercompany Communications

SBC-ASU8-State will notify CLEC of the existence, location, and source of all emergency network outages affecting a CLEC Customer via e-mail or other reasonable method determined by SBC-ASU8-State.

E. Misdirected Repair Calls

All CLEC Customers who misdirect repair calls to SBC-ASU8-State will be directed to call the CLEC.

F. Repair Procedures

- (1) CLEC will refer repair calls to SBC-ASU8-State by telephone or other applicable SBC-ASU8-State interface. SBC-ASU8-State will answer its telephone and begin taking information from CLEC at the same level of service as provided to SBC-ASU8-State's Retail Customers when calling regarding repairs.
- (2) SBC-ASU8-State will make a best effort attempt to notify the CLEC of each missed repair commitment through a status call.
- (3) For purposes of this section, a Service is considered restored or a trouble resolved when the quality of the Service is equal to that provided before the outage or the trouble occurred.

- (4) It is expressly acknowledged that SBC-ASU8-State Services may be purchased for utilization in conjunction with services provided by other providers (for example, DSL Transport may be purchased for use in conjunction with an ISP's internet access service), and SBC-ASU8-State is not responsible for such services provided by other providers.

G. Escalation Procedures

SBC-ASU8-State will provide CLEC with written escalation procedures for maintenance resolution.

H. Premises Visit Procedures

- (1) SBC-ASU8-State maintenance service charges, when applicable, will be billed by SBC-ASU8-State to CLEC, and not to CLEC's Customers.
- (2) The hourly rate for Additional Premises work for ASI Central, ASI West, and ASI Northeast is as follows:

	First 1/2 hour	Additional 1/2 hours
Basic	\$60.00	\$35.00
Overtime	\$75.00	\$45.00
Premium	\$90.00	\$50.00

- Basic time is defined as 8:00 A.M. to 5:00 P.M. Monday through Saturday, not including SBC ASI holidays.
 - Overtime is defined as regular non-business hours: 5:01 P.M. to 7:59 A.M. , Monday through Saturday, not including SBC ASI holidays.
 - Premium time is all day Sunday and any SBC ASI holiday.
 - Installation of wiring and/or jack \$120.00 each.
- (3) Dispatching of SBC-ASU8-State technicians to CLEC Customer premises shall be accomplished by SBC-ASU8-State pursuant to a request received from CLEC and CLEC shall pay \$150 for such dispatch relating to truck rolls for failed customer self installations ("CSI") or maintenance due to trouble caused by CLEC or CLEC's Customer.
- (4) If a trouble cannot be cleared without access to CLEC's Customer's premises and CLEC's Customer is not available, the SBC-ASU8-State technician will leave at the CLEC's Customer's premises a "no access" card requesting the Customer to call CLEC for rescheduling of repair, and CLEC shall pay for such dispatch.

INTERCONNECTION

16. GENERAL PROVISIONS

- A. CLEC may interconnect its network to SBC-ASI/8-State's network for the transmission and routing of telephone exchange and exchange access at any technically feasible point in SBC-ASU8-State's network to the extent required by applicable law, including the ASCENT Decision and the D.C. Circuit Court of Appeals decision in Worldcom, Inc. v. FCC, No. 00-1002 (D.C. Cir., April 20, 2001). In such cases, SBC-ASU8-State will provide interconnection to CLEC that is at least equal in quality to that provided by SBC-ASU8-State to itself or to any telecommunications provider to which SBC-ASU8-State provides interconnection.
- B. Notice of Network Changes. SBC-ASU8-State agrees to provide reasonable notice consistent with applicable FCC rules of changes in the information necessary for the transmission and routing of services using SBC-ASU8-State's network, as well as of any other changes that would affect the interoperability of SBC-ASU8-State's network. This Agreement is not intended to limit SBC-ASU8-State's ability to upgrade and maintain its network through the incorporation of new equipment, new software or otherwise so long as such upgrades are consistent with SBC-ASU8-State's obligations to CLEC under the terms of this Agreement.
- C. If either Party changes the methods by which it routes traffic within its network, it will afford the other Party the opportunity to route its traffic in the same manner for purposes of interconnection.
- D. The CLEC will be responsible for forecasting all interconnections between the two (2) networks. SBC-ASU8-State will be responsible for servicing the interconnection service provided by SBC-ASU8-State.
- E. SBC-ASU8-State supports the industry standards for interconnection. For ATM Service, the interface specification between networks will comply with Broadband Inter-Carrier Interface ("B-ICI"). B-ICI is a standard interface that has been chosen by both ITU-T and ATM Forum for interconnecting two (2) different public ATM networks and to support user services across multiple public carriers. The B-ICI will support inter-carrier connections based on PVCs. The physical layer of the interface is based on the CCITT-defined Network-to-Network Interface For Frame Relay Service ("FRS"), the network interconnection will comply with the specifications from the Frame Relay Forum. The facilities to connect the CLEC's port to SBC-ASU8-State's port must be the same speed as the port.

17. INTERCONNECTION CONFIGURATIONS

A. ATM Logical Provisioning over the Interconnection

ATM uses logical connections or software-defined connections between end points in the network called Permanent Virtual Connections ("PVCs"). ATM has three (3) categories of services associated with the PVCs:

- (1) Unspecified Bit Rate ("UBR"). UBR is a "best effort" class of service for critical, delay-tolerant applications.
- (2) Variable Bit Rate - Real Time ("VBR-RT"). VBR-RT supports traffic transmission levels for applications where a PVC requires low cell deviation. Such applications could include variable bit rate video compression and packet voice and video, which are somewhat tolerant of delay.
- (3) Variable Bit Rate - Non Real Time ("VBR-NRT"). VBR-NRT is used for designed or bursty data traffic (like email, file transfer, local area network ["LAN"]-to-LAN interconnection). SBC-ASU8-State allows for subscription rate of the logical connections up to 100% of the port bandwidth.
- (4) Constant Bit Rate ("CBR"). CBR carries the highest rating for applications that are real-time and delay-sensitive, like voice and video. SBC-ASU8-State allows for subscription rate of the logical connections up to 100% of the bandwidth.

B. Physical Interconnection with CLEC's Facilities

SBC-ASU8-State will interconnect with CLEC's facilities as follows: In each SBC-ASI/8-State territory in which CLEC offers local exchange service, the Parties will interconnect their network facilities at a minimum of one (1) mutually agreeable point of interconnection ("POI"). The POI will be established as the connection point into the SBC-ASU8-State network. Each Party will be responsible for providing necessary equipment and facilities.

C. ATM B-ICI

- (1) The interconnection between SBC-ASU8-State and CLEC can occur at any mutually agreeable, economically and technically feasible point. For ASI-Central, ASI-Northeast and California, this interconnection will be either on DS1, DS3, or OC3 facility depending on the technology being utilized. For Nevada, this interconnection will be either on DS1 or DS3 facility depending on the technology being utilized.
 - a) Interconnection Design One: B-ICI Connection. CLEC will purchase transport and interconnection from SBC-ASU8-State. SBC-ASU8-State

will terminate the interconnection to the CLEC's termination point. The POI shall be designated as the Circuit Facility Assignment ("CFA") point. CLEC must have some POI available for SBC-ASU8-State to connect into. SBC-ASU8-State will not be responsible for building out facilities or extra charges associated with interconnection for CLEC. Each Party is responsible for designing, provisioning, ownership and maintenance of all equipment and facilities on its side of the POI.

- b) Interconnection Design Two: Network Gateway Interface ("NGI") Connection. CLEC may interconnect through an NGI connection. CLEC will provide transport into SBC-ASU8-State facility. CLEC will either purchase/lease access or use its own access to interconnect with SBC-ASI/8-State. The CLEC will be responsible for any cost associated with delivering the access facility to SBC-ASU8-State's demarcation point. The POI shall be designated as the Demarcation Point. SBC-ASU8-State will have a specified location for entry. SBC-ASU8-State will provide the appropriate CFA information to the CLEC. Each Party is responsible for designing, provisioning, ownership and maintenance of all equipment and facilities on its side of the POI.

D. FRAME RELAY-NNI

- (1) SBC-ASU8-State's FRS adheres to industry standards. The NNI protocol is used to propagate status information between the network switching elements. It is also used to detect link and device failures.
- (2) The available bandwidth of the NNI Port will be either Fractional T-1, DS 1 or DS3, except in Nevada where the available bandwidth is DS1 only.
- (3) SBC-ASU8-State will allow CLEC to provision the NNI connection to 200% over-subscription as it pertains to the amount of traffic being forced over the network. There is also a physical limit, depending on switch type, on the amount of PVCs that can be subscribed per port.
- (4) Except in Nevada and except as otherwise provided in Sections 21 and 22, SBC-ASU8-State has the capability of Frame Relay-to-ATM Inter-working. Depending on the traffic type, CLEC may decide to buy ATM connections from SBC-ASU8-State. CLEC can still put Frame Relay traffic over the interconnection as long as CLEC subscribes to Frame Relay-to-ATM Inter-working on CLEC's switch.

E. INTERCONNECTION PLANNING

The Parties will mutually agree upon the precise terms of each interconnection facility. These terms will cover the technical details of the interconnection as well as other network interconnection, provisioning and maintenance issues.

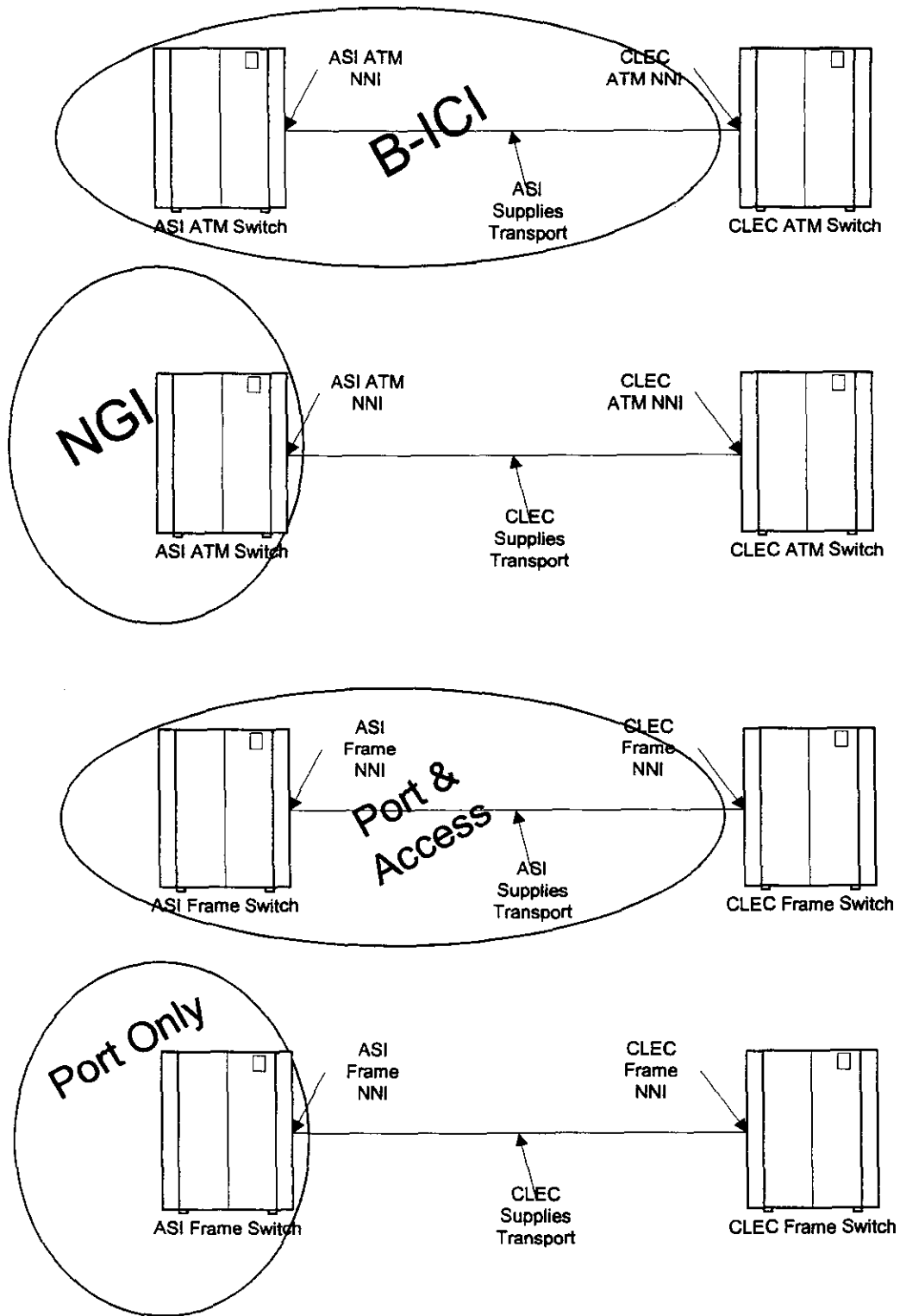
- (1) The CLEC location may include multiplexing and facilities required to take the handoff from SBC-ASU8-State for interconnection facilities as outlined in this Agreement.
- (2) In all network designs, CLEC and SBC-ASU8-State will mutually agree on the capacity of the termination to be utilized. The capacity will be based on the request from the CLEC.
- (3) If CLEC seeks to interconnect with SBC-ASU8-State's network for the purpose of exchanging local traffic between the Parties' networks, using any other configuration or at any other technically feasible point in SBC-ASI/8 State's network, the Parties shall negotiate the terms and conditions for such interconnection.

18. INTERCONNECTION DIAGRAMS

This section provides diagrams describing the general connection requirements for CLEC to interconnect any CLEC-provided facility with SBC-ASU8-State's facilities. The diagrams in this section, which are not necessarily all inclusive, depict different interconnection scenarios. Any figures or schematics are for convenience of reference only and in no way modify the terms and conditions of this Agreement or commit SBC-ASU8-State to interconnect in a specific way.

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SBC-ASI INTERCONNECTION AGREEMENT (8 STATE)
SBC-ASI/NAVIGATOR TELECOMMUNICATIONS, LLC



TERMS APPLYING TO ALL NON-DSL ADVANCED SERVICES

19. DESCRIPTION AND PROVISIONING OF NON-DSL SERVICES

As indicated herein, unless specified otherwise, SBC-ASU8-State will make the following Non-DSL Services available for resale within its affiliated ILEC's service territory in all eight (8) states. Unless specified otherwise in this Agreement, the Services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

A. Native LAN Plus is a fiber-based Intrastate service transported over ATM . Native

LAN Plus supports both point-to-point and multipoint configurations for Ethernet-to-Ethernet LAN connections at 100 MBPS. SBC-ASU8-State will make Native LAN

Plus available for resale within its affiliated ILEC's service territory only in ASI-Central and California. The Native LAN Plus product will be offered only as an ICB.

B. Broadband Educational Videoconferencing Services ("BEVS") is a fiber-based service providing full motion quality video and audio arrangements for point-to-point, and broadcast conferences, and interconnectivity to private networks pursuant to the terms and conditions, including pricing, contained in SBC-ASI's General Exchange Tariff. SBC-ASU8-State will make BEVS available for resale only within its affiliated ILEC's service territory only in Kansas, Oklahoma and Missouri.

C. Telecommunications Service Priority ("TSP") for National Security Emergency Preparedness, which is applicable in conjunction with the intrastate services provided or made available pursuant to the terms and conditions, including pricing, contained in SBC-ASI's General Exchange Tariff. SBC-ASU8-State will make TSP available for resale only within its affiliated ILEC's service territory only in Texas.

20. PRICES, MOVES AND UPGRADES RELATING TO NON-DSL SERVICES

A. Prices

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

- (1) The prices do not include any independent company or inter-exchange carrier charges, in- or inter-building network cable, simple inside wire, repair services for such cable and wire or wiring associated with Customer Equipment. The prices also do not include FCC or other mandated surcharges, which will be billed on a monthly basis.

- (2) Prices in the applicable tariffs are subject to change with fifteen (15) calendar days notice. The CLEC will be advised of any such change. In addition, the prices are subject to change based on any legislative, regulatory or judicial determination as set forth in the Intervening Law provision of this Agreement. Should prices increase due to any specific applicable order of the FCC or any specific applicable governmental regulatory authority, then the Parties will implement the provisions of Section 1 F (Intervening Law) of this Agreement.

Any additional nonrecurring or special construction charges associated with the new Service will apply.

21. ORDERING AND TERMINATING NON-DSL SERVICES

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

A. Ordering Non-DSL Services

- (1) ASI-Central and ASI-West: CLEC must submit an ASR to the SBC Access Service Center ("ASC"). The ASC will then coordinate the ordering process with SBC-ASU8-State.
- (2) ASI-Northeast: CLEC must submit a Local Service Request ("LSR") to SNET LEC-C. The LEC-C will provide CLEC confirmed due dates and relevant provisioning details in a service delivery schedule.
- (3) SBC-ASU8-State will provide a toll-free number to make an inquiry regarding ordering and provisioning Non-DSL Services. This inquiry will be available Monday through Friday 8:00 a.m. to 5:00 p.m. eastern time. SBC-ASU8-State will provide the same provisioning coverage for CLEC's Customers as SBC-ASI/8-State provides to its own Customers.

TERMS APPLYING TO DSL TRANSPORT SERVICES

22. GENERAL PROVISIONS APPLYING TO DSL TRANSPORT SERVICES

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

- A. As indicated herein, SBC-ASU8-State will make its DSL Transport Services available for resale to CLEC within its affiliated ILEC's service territory in the state where DSL Transport Service is provided.

22. DESCRIPTION AND PROVISIONING OF WHOLESALe DSL TRANSPORT SERVICE

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

23. DESCRIPTION AND PROVISIONING OF REMOTE LAN DSL TRANSPORT

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

24. CLEC RESPONSIBILITIES

Unless specified otherwise in this ICA, the services will be made available pursuant to the terms and conditions, including pricing (less the avoided cost discount where applicable), contained in the applicable tariffs referenced in SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES.

- A. Backhaul Transport. CLEC acknowledges that it is responsible for obtaining the facilities or services for the backhaul of data to CLEC's operational data centers.
- B. Customer Premise Equipment (CPE). SBC-ASU8-State shall deploy DSLAMs which are compatible with industry standards and shall provide CLEC with technical data, specifications and other information sufficient to allow CLEC to meet its obligation to select DSL modems, Network Interface Cards, splitters or other CPE compatible with industry standards which is necessary for CLEC's Customers to use DSL Transport Services purchased from SBC-ASU8-State.

25. ORDERING AND TERMINATING DSL TRANSPORT SERVICE

A. Ordering DSL Transport Service.

- (1) Electronic Order Processing. Except in ASI-Northeast, CLEC may issue a new order to resell SBC-ASU8-State's DSL Transport Service through the electronic process described in section 26 (DSL Operational Support Systems).
- (2) In all SBC-ASU8-State regions, CLEC will determine whether its Customer's loop is "Loop Qualified" per SBC-ASU8-State standards i.e., whether the CLEC's Customer's telephone line is able to support DSL Transport Service), and if so, place an order for DSL Transport Service with SBC-ASI/8-State. SBC-ASU8-State will provide a process for receiving orders. CLEC shall be responsible for ensuring the accurate transmittal of (1)

information regarding CLEC's Customers to SBC-ASU8-State (except for such CLEC Customer's Loop Qualified status), and (2) the CLEC internet connectivity address information required to direct the DSL Transport Service to CLEC's internet connection.

- (3) Once SBC-ASU8-State receives an order from CLEC in accordance with the above provisions, SBC-ASU8-State shall then be responsible for taking all of the necessary steps to provide such CLEC Customer with the DSL Transport Service ordered by CLEC. In the event the DSL Transport Service cannot be made to function within SBC-ASU8-State's current operational guidelines, the CLEC will be notified and the order will be cancelled, with no liability to SBC-ASU8-State.
- (4) When CLEC places an order, SBC-ASU8-State will specify a Due Date ("DD") based on force availability or standard interval, as applicable. In the event a Due Date ("DD") other than that specified is requested by the CLEC Customer, CLEC will contact SBC-ASU8-State and the Parties will negotiate a Due Date ("DD") based on that request. SBC-ASU8-State will not complete the order prior to the DD or later than the Due Date ("DD") without notification to the CLEC.
- (5) CLEC and SBC-ASU8-State will agree to escalation procedures and contacts for resolving questions and disputes related to ordering and provisioning procedures or to the processing of individual orders, subject ultimately to the dispute resolution provisions of this Agreement. SBC-ASU8-State will notify CLEC of any modifications to these contacts within one (1) week of such modifications.
- (6) SBC-ASU8-State will direct CLEC Customers to contact CLEC if CLEC's Customer requests a change in service at the time of installation.
- (7) SBC-ASU8-State will provide CLEC with the same provisioning intervals and procedures for DSL Transport Services that it provides to SBC-ASI/8-State Customers.

B. Terminating DSL Transport Service.

- (1) SBC-ASU8-State will not initiate any CLEC Customer-requested disconnection or rearrangement of Services unless directed by CLEC. CLEC will be responsible for sending the appropriate disconnect order to SBC ASI/8-State for any DSL Transport Service that it wishes to cancel.
- (2) Upon receipt of a disconnect order issued by CLEC, SBC-ASU8-State will discontinue the provision of the DSL Transport Services to the CLEC's Customer pursuant to the instructions in the disconnect order. SBC-ASI/8-

State will cease to charge CLEC for the provision of the particular DSL Transport Service upon processing the disconnect order.

In the event that a CLEC's Customer instructs SBC-ASU8-State not to complete an installation of DSL Transport Service at the CLEC's Customer location and SBC-ASU8-State is thereby prevented from installing DSL Transport Service, SBC-ASU8-State will provide notice to CLEC. CLEC will have ten (10) business days from the date of the notice to secure CLEC's Customer's permission for SBC-ASU8-State to perform work at that location and to notify SBC-ASU8-State in writing that it has obtained the necessary permission from CLEC's Customer. If CLEC does not notify SBC-ASI/8-State of such permission within that ten (10) business day period, SBC-ASI/8-State will cancel the order with no liability to SBC-ASU8-State. After cancellation, any order for DSL Transport Service for the same CLEC Customer location will be treated as a new order.

- (4) After DSL Transport Service has been installed, if, for reasons beyond the control of SBC-ASU8-State, conditions in the ILEC loop facilities change causing the DSL Transport Service to become inoperable, SBC-ASU8-State will disconnect the inoperable Service with no liability to SBC-ASU8-State.

C. Misdirected Calls.

During SBC-ASU8-State's normal business hours, for all misdirected calls to SBC-ASI/8-State from CLEC's Customers, CLEC's Customers will be directed to call their DSL provider. To the extent SBC-ASU8-State procedures change such that CLEC Customers become identifiable, such CLEC Customers will be directed to call CLEC at a designated 800 number. CLEC on a reciprocal basis will refer to a SBC-ASI/8-State designated number all misdirected calls that CLEC receives from SBC-ASI/8-State Customers. CLEC and SBC-ASU8-State will agree on the scripts to be used for this purpose.

26. DSL TRANSPORT OPERATIONAL SUPPORT SYSTEMS ("OSS")

- A. SBC-ASU8-State will provide current ordering specifications for DSL Transport Service and all Customer data required by SBC-ASU8-State from CLEC to provision these Services. SBC-ASI/8-State ordering and provisioning processes requires the CLEC to order DSL Transport Service and provide internet service details at the same time.
- B. SBC-ASU8-State will provide a Single Point of Contact ("SPOC") per region for all of CLEC ordering and provisioning contacts involved in the ordering and provisioning of the Services provided by SBC-ASU8-State to CLEC. SBC-ASI/8 State will provide the same hours of provisioning coverage for CLEC Customers as SBC-ASU8-State provides to its Customers.

SBC-ASU8-State will provide the following ordering and provisioning services to CLEC for Service orders:

ASI-Central	Monday-Friday 8 a.m. - 5:30 p.m. central
ASI-West	Monday-Friday 8 a.m. - 5:30 p.m. pacific
ASI Northeast	Monday-Friday 8 a.m. - 5 p.m. eastern

C. SBC-ASU8-State will endeavor to provide electronic systems on the following schedule:

ASI-Central	Monday-Saturday 7 a.m. - 11 p.m. central Sunday 10 a.m. - 8 p.m. central
ASI-West	Monday-Saturday 7 a.m. - 11 p.m. pacific Sunday 10 a.m. - 8 p.m. pacific

Notwithstanding the foregoing, the Parties recognize that there may be periods when systems are down due to unforeseen difficulties.

D. SBC-ASU8-State and CLEC will jointly establish interface contingency and disaster recovery plans for the ordering and provisioning of the DSL Transport Services.

E. The following SBC-ASU8-State Electronic Ordering Processes are currently available only for new orders in ASI-Central and ASI-West:

- (1) Complex Product Service Order System ("CPSOS"). CPSOS provides CLEC wishing to resell SBC-ASU8-State DSL Transport Services with real-time loop qualification capability. Once a loop is qualified, CLEC may enter a request for SBC-ASU8-State DSL Transport Service through CPSOS. CPSOS also provides CLEC with the capability to manage its outstanding orders and their rudimentary status.
- (2) Batch Qualification and Batch Ordering. Batch Qualification provides CLEC the ability to qualify bulk quantities of CLEC's Customers' TNs. CLEC must compile and transmit to a designated FTP site a list of Customer TNs. Batch Qualification will then process the list and ascertain whether the TNs qualify for SBC-ASU8-State DSL Transport Service. Batch ordering likewise processes a list of TNs and their corresponding service request parameters through SBC-ASI/8-State systems.

F. In ASI-Northeast, SBC-ASU8-State will provide a manual ordering and provisioning process for DSL Transport.

G. In ASI-Central and ASI-West, SBC-ASU8-State will provide a manual ordering process to be used when CPSOS is not available.

27. FORECASTING

If CLEC desires to stimulate sales of DSL Transport Service in a particular area through special promotions or otherwise, CLEC shall provide SBC-ASU8-State with at least sixty (60) calendar days prior written notice of this event and shall specify the forecasted volumes by central office. SBC-ASU8-State will work with CLEC and use reasonable efforts to accommodate any such increase in anticipated demand, but CLEC recognizes that DSL Transport Service is dependent on availability of facilities and other regulatory, business and operating constraints. In the event such activities exhaust existing DSL equipment, SBC-ASI/8-State is not obligated to add additional equipment.

ANCILLARY FUNCTIONS

28. UNBUNDLED PACKET SWITCHING

A. SBC-ASU8-State will provide CLEC unbundled packet switching in situations in which SBC-ASU8-State has placed its DSLAM in a remote terminal if all of the following conditions are satisfied:

- (1) SBC-ASU8-State or its affiliated ILEC has deployed digital loop carrier systems, including but not limited to, integrated digital loop carrier or universal digital loop carrier systems; or has deployed any other system in which fiber optic facilities replace copper facilities in the distribution section (e.g., end office to remote terminal, pedestal or environmentally controlled vault);
- (2) There are no spare copper loops capable of supporting the xDSL services CLEC seeks to offer;
- (3) SBC-ASU8-State's affiliated ILEC has not permitted CLEC to deploy a Digital Subscriber Line Access Multiplexer ("DSLAM") at the remote terminal, pedestal or environmentally controlled vault or other interconnection point, nor has the requesting carrier obtained a virtual collocation arrangement at these sub-loop interconnection points as defined by 47 CFR §51.319(b); and
- (4) SBC-ASU8-State has deployed packet switching capability for its own use.

B. SBC-ASU8-State will be relieved of this unbundling obligation if it permits CLEC to collocate CLEC's DSLAM in SBC-ASU8-State's remote terminal, on the same terms and conditions as apply to SBC-ASU8-State's own DSLAM.

29. COLLOCATION

In exchange for other terms provided under this agreement, including the provisions related to insurance requirements, SBC ASU8 State will not provide collocation to CLEC under this Agreement.

30. TERMS APPLYING TO SBC-ASU8-STATE OPERATIONAL SUPPORT SYSTEMSA. CLEC Responsibilities.

- (1) When available, CLEC shall utilize SBC-ASU8-State's electronic interfaces, as described throughout this Agreement, only for the purposes of establishing and maintaining Resale Services through SBC-ASU8-State's Security Guidelines and OSS Policies detailed in this Agreement. Failure to comply with such Security Guidelines and OSS Policies may result in forfeiture of electronic access to OSS functionality.
- (2) CLEC shall be responsible for and indemnifies SBC-ASU8-State against any cost, expense or liability relating to any unauthorized entry or access into, or use or manipulation of SBC-ASU8-State's OSS from CLEC systems, workstations or terminals or by CLEC employees or agents or any third party gaining access through information and/or facilities obtained from or utilized by CLEC and shall pay SBC-ASU8-State for any and all damages caused by such unauthorized entry.
- (3) CLEC's access to SBC-ASU8-State's OSS will only be utilized to view Customer Proprietary Network Information ("CPNI") of another carrier's Customer where CLEC has obtained an authorization for release of CPNI from the Customer and has obtained an authorization to become the Customer's service provider. The authorization for release of CPNI must comply with all applicable state and federal statutes, rules, and regulations.
- (4) CLEC is solely responsible for determining whether proper authorization has been obtained and holds SBC-ASU8-State harmless from any loss caused by CLEC's failure to obtain proper CPNI consent from Customer.
- (5) CLEC is responsible for all actions of its employees using any of SBC-ASI/8-State's OSS systems. CLEC agrees to pay all reasonable costs and expenses, including labor costs, incurred by SBC-ASI/8-State as a result of any and all inaccurate ordering or usage of the OSS, if such costs are not already recovered through other charges assessed by SBC-ASU8-State to CLEC.
- (6) CLEC shall indemnify and hold SBC-ASU8-State harmless against any claim made by a Customer of CLEC or other third parties against SBC-ASU8-State caused by or related to CLEC's use of any SBC-ASI/8-State OSS.

- (7) SBC-ASU8-State retains the right to audit all activities by CLEC using any SBC-ASU8-State OSS. All such information obtained through an audit shall be deemed proprietary and shall be covered by the Parties Non-Disclosure Agreement signed in conjunction with the execution of this Agreement.

B. Security Guidelines.

- (1) Both Parties will maintain accurate records, subject to audit, that monitor user authentication and machine integrity and confidentiality, password assignment and aging, chronological logs configured, system accounting data, etc.).
- (2) Both Parties shall maintain accurate and complete records detailing the individual data connections and systems to which they have granted the other Party access or interface privileges. These records will include, but are not limited to, user ID assignment, user request records, system configuration, time limits of user access or system interfaces. These records should be kept until the termination of this Agreement or the termination of the requested access by the identified individual. Either Party may initiate a compliance review of the connection records to verify that only the agreed to connections are in place and that the connection records are accurate.
- (3) Each Party shall notify the other Party immediately upon termination of employment of an individual user with approved access to the other Party's network.
- (4) Both Parties shall use an industry standard virus detection software program at all times. The Parties shall immediately advise each other by telephone upon actual knowledge that a virus or other malicious code has been transmitted to the other Party.

All physical access to equipment and services required to transmit data will be in secured locations. Verification of authorization will be required for access to all such secured locations. A secured location is where walls and doors are constructed and arranged to serve as barriers and to provide uniform protection for all equipment used in the data connections which are made as a result of the user's access to either the CLEC or SBC-ASU8-State network. At a minimum, this shall include: access doors equipped with card reader control or an equivalent authentication procedure and/or device, and egress doors which generate a real-time alarm when opened and which are equipped with tamper resistant and panic hardware as required to meet building and safety standards.

- (6) Both Parties shall maintain accurate and complete records on the card access system or lock and key administration to the rooms housing the equipment utilized to make the connection(s) to the other Party's network. These records

will include management of card or key issue, activation or distribution and deactivation.

- (7) Each Party will monitor its own network relating to any user's access to the Party's networks, processing systems, and applications. This information may be collected, retained, and analyzed to identify potential security risks without notice. This information may include, but is not limited to, trace files, statistics, network addresses, and the actual data or screens accessed or transferred.
- (8) Each Party shall notify the other Party's security organization immediately upon initial discovery of actual or suspected unauthorized access to, misuse of, or other "at risk" conditions regarding the identified data facilities or information. Each Party shall provide a specified point of contact. If either Party suspects unauthorized or inappropriate access, the Parties shall work together to isolate and resolve the problem.
- (9) In the event that one Party identifies inconsistencies or lapses in the other Party's adherence to the security provisions described herein, or a discrepancy is found, documented, and delivered to the non-complying Party, a corrective action plan to address the identified vulnerabilities must be provided by the non-complying Party within ten (10) calendar days of the date of the identified inconsistency. The corrective action plan must identify what will be done, the Party accountable/responsible, and the proposed compliance date.
- (10) Each Party is responsible to notify its employees, contractors and vendors who will have access to the other Party's network, on the proper security responsibilities identified within this Agreement. Adherence to these policies is a requirement for continued access to the other Party's systems, networks or information. Exceptions to the policies must be requested in writing and approved by the other Party's information security organization.

C. General OSS Policies.

- (1) Due to enhancements and on-going development of access to SBC-ASI/8-State's OSS functions, certain interfaces described in this Agreement may be modified, temporarily unavailable or may be phased out after execution of this Agreement.
- (2) Each Party's resources are for approved business purposes only.
- (3) Each Party may exercise at any time its right to inspect, record, and/or remove all information contained in its own systems, and take appropriate action should unauthorized or improper usage be discovered.

- (4) Individuals will only be given access to resources that they are authorized to receive and which they need to perform their job duties. Users must not attempt to access resources for which they are not authorized.
- (5) Authorized users must not develop, copy or use any program or code which circumvents or bypasses system security or privilege mechanism or distorts accountability or audit mechanisms.
- (6) Actual or suspected unauthorized access events must be reported immediately to each Party's security organization or to an alternate contact identified by that Party. Each Party shall provide its respective security contact information to the other.

D. User Identification.

- (1) Access to each Party's corporate resources will be based on identifying and authenticating individual users in order to maintain clear and personal accountability for each user's actions.
- (2) User identification shall be accomplished by the assignment of a unique, permanent user ID, and each user ID shall have an associated identification number for security purposes.

E. User Authentication.

- (1) Users will usually be authenticated by use of a password. Strong authentication methods (e.g. one-time passwords, digital signatures, etc.) may be required in the future.
- (2) Passwords must not be stored in script files.
- (3) Passwords must be entered by the user in real time.
- (4) Personal passwords must not be shared. A user who has shared his password is responsible for any use made of the password.

F. Access and Session Control.

- (1) Destination restrictions will be enforced at remote access facilities used for access to OSS interfaces. These connections must be approved by each Party's corporate security organization.
- (2) Terminals or other input devices must not be left unattended while they may be used for system access. Upon completion of each work session, terminals or workstations must be properly logged off.
- (3) On the destination system, users are granted access to specific resources (e.g. databases, files, transactions, etc.). These permissions will usually be defined

for an individual user (or user group) when a user id is approved for access to the system.

G. Software and Data Integrity.

- (1) Each Party shall use a comparable degree of care to protect the other Party's software and data from unauthorized access, additions, changes and deletions as it uses to protect its own similar software and data. This may be accomplished by physical security at the work location and by access control software on the workstation.
- (2) Suspected software or data shall be scanned for viruses before use on a Party's corporate facilities that can be accessed through the direct connection or dial up access to OSS interfaces.
- (3) Unauthorized use of copyrighted software is prohibited on each Party's corporate systems that can be access through the direct connection or dial up access to OSS Interfaces.
- (4) Proprietary software or information (whether electronic or paper) of a Party shall not be given by the other Party to unauthorized individuals. When it is no longer needed, each Party's proprietary software or information shall be returned by the other Party or disposed of securely. Paper copies shall be shredded. Electronic copies shall be overwritten or degaussed.

H. Monitoring and Audit.

To deter unauthorized access events, a warning or no trespassing message will be displayed at the point of initial entry (i.e., network entry or applications with direct entry points). Each Party should have several approved versions of this message. Users should expect to see a warning message similar to this one:

*"This system is restricted to authorized users for company official business purposes and subject to being monitored at any time. Anyone using this system expressly consents to such monitoring. **Confidential information may not be disclosed without authorization.** By logging on, each user understands, agrees, and consents that the Company or its authorized designees may inspect, copy, or disclose any electronic communication **or other information** on this system at any time without further notice. "*

31. ACCESS TO RIGHTS-OF-WAY

Pursuant to section 251(b)(4) of the Act, to the extent required by the ASCENT Decision, SBC-ASI/8-State will provide access to its poles, ducts, conduits, and rights-of-way to CLEC on rates, terms, and conditions that are consistent with section 224 of the Act.

SBC-ASI INTERCONNECTION AGREEMENT (8 STATE)
SBC-ASI/NAVIGATOR TELECOMMUNICATIONS, LLC

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives. Each person whose signature appears below represents and warrants that he or she has authority to bind the Par on whose behalf he or she has executed this Agreement.

SBC Advanced Solutions, Inc.

Navigator Telecommunications, LLC

By: David Hammock

By: Kerrick Le Douv

Print Name: David Hammock

Print Name: Kerrick Le Douv

Title: Executive Director - Regulatory

Title: V.P., Engineering + Chief Tech. Officer

Date Signed: 3-20-02

Date Signed: 3-11-02

SCHEDULE A - PRICING TERMS AND TARIFF REFERENCES

I. Terms Applying to All Service Pricing

The prices set forth in the tariffs listed below do not include FCC or other mandated surcharges, applicable taxes, and do not reflect the applicable avoided cost resale discount, if any. Such surcharges and applicable taxes shall be billed on a monthly basis. Customer will pay SBC-ASI/8-State or SBC-ASU8-State's billing agent for all SBC-ASU8-State Services actually installed and billed at the volume level that exists during each current billing cycle. Prices in the applicable tariffs are subject to change with fifteen (15) calendar days notice. The CLEC will be advised of any such change.

The avoided cost resale discount does not apply to the resale of Wholesale DSL Transport Services provided to ISPs.

II. **Tariff References**

A. SBC-ASI FCC Interstate Tariff No. 1 (includes all Services described in this Agreement)

B. Intrastate Tariffs

Arkansas

Access Service Tariff
General Tariff

California

Schedule Cal. P.U.C. No. A-T
Schedule Cal. P.U.C. No. B-T

Connecticut

D.P.U.C. No. 1

Kansas

General Tariff No. 1
Access Service Tariff

Missouri

Access Services Tariff
General Tariff

Nevada

No tariff

Oklahoma

Access Tariff
General Tariff

Texas

General Tariff No. 1

COUNTY OF DALLAS:

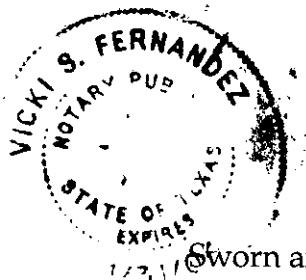
STATE OF TEXAS:

AFFIDAVIT OF DAVID G. HAMMOCK

Before me, the Undersigned Authority, on this 21st day of March, 2002, personally appeared David G. Hammock who, upon being by me duly sworn on oath deposed and said the following:

1. My name is David G. Hammock. I am over the age of 21, of sound mind and competent to testify to the matters stated herein. I am responsible for SBC Advanced Solutions, Inc.'s negotiation and execution of Interconnection Agreements with other telecommunication providers. I have personal knowledge of the 8-State Interconnection Agreement (the "Agreement") between SBC Advanced Solutions, Inc. ("SBC-ASI") and Navigator Telecommunications, LLC ("CLEC"). The parties have negotiated diligently under the Federal Telecommunications Act of 1996 ("FTA"), culminating in an executed Agreement by the parties on 3-11-02 and 3-20-02, respectively.
2. The Agreement together with its appendices and attachments incorporated therein are an integrated package and are the result of good faith negotiation and compromise. The Agreement between SBC-ASI and CLEC is in the public interest and comports with the relevant requirements of state law.
3. I am not aware of any provision of this Agreement that discriminates against a telecommunications carrier that is not a party to this Agreement. The terms of this Agreement are available to any similarly situated local service provider in negotiating a similar Agreement.
4. I am not aware of any outstanding issues between the parties that need the assistance of mediation or arbitration at this time.

Further Affiant sayeth not.



Sworn and Subscribed to before me this 21 day of March, 2002, to certify which witness my hand.

Vicki S. Fernandez
Notary Public for State of Texas

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