

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

ILLINOIS BELL TELEPHONE COMPANY d/b/a SBC ILLINOIS,  
INDIANA BELL TELEPHONE COMPANY INCORPORATED d/b/a SBC INDIANA,  
MICHIGAN BELL TELEPHONE COMPANY d/b/a SBC MICHIGAN,  
NEVADA BELL TELEPHONE COMPANY d/b/a SBC NEVADA,  
THE OHIO BELL TELEPHONE COMPANY d/b/a SBC OHIO,  
PACIFIC BELL TELEPHONE COMPANY d/b/a SBC CALIFORNIA,  
THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY d/b/a SBC CONNECTICUT,  
SOUTHWESTERN BELL TELEPHONE, L.P. d/b/a SBC ARKANSAS, SBC KANSAS,  
SBC MISSOURI, SBC OKLAHOMA AND/OR SBC TEXAS  
AND/OR WISCONSIN BELL, INC. d/b/a SBC WISCONSIN

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### SUBJECT

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

**between one or more of**

**Illinois Bell Telephone Company d/b/a SBC Illinois,  
Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana,  
Michigan Bell Telephone Company d/b/a SBC Michigan,  
Nevada Bell Telephone Company d/b/a SBC Nevada,  
The Ohio Bell Telephone Company d/b/a SBC Ohio,  
Pacific Bell Telephone Company d/b/a SBC California,  
The Southern New England Telephone Company d/b/a SBC  
Connecticut,  
Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC  
Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas,  
Wisconsin Bell, Inc. d/b/a SBC Wisconsin**

**and**

**Neutral Tandem-Arkansas, LLC; Neutral Tandem-Indiana, LLC;  
Neutral Tandem-Kansas, LLC; Neutral Tandem-Missouri, LLC;  
Neutral Tandem-Nevada, LLC; Neutral Tandem-Oklahoma, LLC;  
Neutral Tandem-Texas, LLC**

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## **INTERCONNECTION AND/OR RESALE AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996**

This Interconnection and/or Resale Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 (the Agreement), by and between one or more of the SBC Communications Inc. owned ILEC's Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and SBC Texas, and Wisconsin Bell, Inc. d/b/a SBC Wisconsin, (only to the extent that the agent for each such SBC-owned ILEC executes this Agreement for such SBC-owned ILEC and only to the extent that such SBC-owned ILEC provides Telephone Exchange Services as an ILEC in each of the state(s) listed below) and, Neutral Tandem-Arkansas, LLC; Neutral Tandem-Indiana, LLC; Neutral Tandem-Kansas, LLC; Neutral Tandem-Missouri, LLC; Neutral Tandem-Nevada, LLC; Neutral Tandem-Oklahoma, LLC; Neutral Tandem-Texas, LLC ("CLEC"), (a Limited Liability corporation), shall apply to the state(s) of Arkansas, Indiana, Kansas, Missouri, Nevada, Oklahoma, and Texas

**WHEREAS**, CLEC represents that it is, or intends to become, a provider of Telephone Exchange Service to residential and business End Users offered exclusively over its own Telephone Exchange Service facilities or predominantly over its own Telephone Exchange Service facilities in combination with the use of Lawful unbundled network elements purchased from other entity(ies) and the resale of Telecommunications Services of other carriers.

**WHEREAS**, the Parties want to Interconnect their networks at mutually agreed upon points of interconnection to provide Telephone Exchange Services and Exchange Access to residential and business End Users over their respective Telephone Exchange Service facilities in the state or states which are subject to this Agreement; and

**WHEREAS**, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will Interconnect their networks and facilities and provide to each other services as required by the Telecommunications Act of 1996 as specifically set forth herein; and

**WHEREAS**, for purposes of this Agreement, CLEC intends to operate where one or more of Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and SBC Texas, and Wisconsin Bell, Inc. d/b/a SBC Wisconsin is the incumbent Local Exchange Carrier(s) and CLEC, a competitive Local Exchange Carrier, has or, prior to the provisioning of any Interconnection, access to Lawful unbundled network elements, Telecommunications Services or any other functions, facilities, products or services hereunder, will have been granted authority to provide certain local Telephone Exchange Services in the foregoing ILEC Service areas by the appropriate State Commission(s);

**NOW, THEREFORE**, the Parties hereby agree as follows:

This Agreement is composed of General Terms and Conditions, which are set forth below, together with certain Appendices, Attachments, Schedules, Exhibits and Addenda which immediately follow this Agreement, all of which are hereby incorporated in this Agreement by this reference and constitute a part of this Agreement.

## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS

Capitalized Terms used in this Agreement shall have the respective meanings specified below, in Section 1.x of each Appendix attached hereto, and/or as defined elsewhere in this Agreement.

#### 1.1 General Definitions

- 1.1.1 **"Act"** means the Communications Act of 1934 [47 U.S.C. 153], as amended by the Telecommunications Act of 1996, Public Law 104-104, 110 Stat. 56 (1996) codified throughout 47 U.S.C.
- 1.1.2 **"Access Compensation"** is the compensation paid by one Party to the other Party for the origination/termination of intraLATA toll calls to/from its End User. Access compensation is in accordance with the LEC's tariffed access rates.
- 1.1.3 **"Access Service Request" (ASR)** is an industry standard form used by the Parties to add, establish, change or disconnect trunks for the purposes of Interconnection.
- 1.1.4 **"Accessible Letters"** are correspondence used to communicate pertinent information regarding SBC-13STATE to the client/End User community.
- 1.1.5 **"Advanced Services"** means intrastate or interstate wireline Telecommunications Services, such as ADSL, IDSL, xDSL, Frame Relay, Cell Relay and VPOP-Dial Access Service (an SBC-13STATE Frame Relay-based service) that rely on packetized technology and have the capability of supporting transmissions speeds of at least 56 kilobits per second in both directions. This definition of Advanced Services does not include:
  - 1.1.5.1 Data services that are not primarily based on packetized technology, such as ISDN,
  - 1.1.5.2 x.25-based and x.75-based packet technologies, or
  - 1.1.5.3 Circuit switched services (such as circuit switched voice grade service) regardless of the technology, protocols or speeds used for the transmission of such services.
- 1.1.6 **"Affiliate"** is As Defined in the Act.
- 1.1.7 **"Alternate Billing Service" (ABS) or "Alternately Billed Traffic" (ABT)** means a service that allows End Users to bill calls to accounts that may not be associated with the originating line. There are three types of ABS calls: calling card, collect and third number billed calls.
- 1.1.8 **"Applicable Law"** means all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, tariffs and approvals, including those relating to the environment or health and safety, of any Governmental Authority that apply to the Parties or the subject matter of this Agreement.
- 1.1.9 **"As Defined in the Act"** means as specifically defined by the Act.
- 1.1.10 **"As Described in the Act"** means as described in or required by the Act.
- 1.1.11 **"Automated Message Accounting" (AMA)** is a structure inherent in switch technology that initially records Telecommunication message information. AMA format is contained in the Automated Message Accounting document published by Telcordia (formerly known as Bellcore) as GR-1100-CORE, which defines and amends the industry standard for message recording.
- 1.1.12 **"Bona Fide Request" (BFR)** is the process described in the applicable Appendix Lawful UNES.
- 1.1.13 **"Business Day"** means Monday through Friday, excluding holidays on which the applicable SBC-owned ILEC does not provision new retail services and products.
- 1.1.14 **"Busy Line Verification" (BLV)** means a service whereby an End User requests an operator to confirm the busy status of a line.



- 1.1.15 **"CABS"** means the Carrier Access Billing System.
- 1.1.16 **"Calling Name Delivery Service" (CNDS)** means a service that enables a terminating End User to identify the calling party by a displayed name before a call is answered. The calling party's name is retrieved from a Calling Name Database and delivered to the End User's premise between the first and second ring for display on compatible End User premises equipment.
- 1.1.17 **"Central Automatic Message Accounting (CAMA) Trunk"** means a trunk that uses Multi-Frequency (MF) signaling to transmit calls from CLEC's switch to an SBC-13STATE E911 Selective Router.
- 1.1.18 **"Centralized Message Distribution System" (CMDs)** means the transport system that LECs use to exchange outcollect and Carrier Access Billing System "CABS" access messages among each other and other Parties connected to CMDs.
- 1.1.19 **"Central office switch" (Central Office)** is a switching entity within the public switched telecommunications network, including but not limited to:
- 1.1.19.1 **"End Office Switch" or "End Office"** is a switching machine that **directly** terminates traffic to and receives traffic from purchasers of local exchange services. An End Office Switch does not include a PBX.
- 1.1.19.2 **"Tandem Office Switch" or "Tandem(s)"** are used to connect and switch trunk circuits between and among other Central Office Switches. A Tandem Switch does not include a PBX.
- 1.1.20 **"Charge Number"** is a CCS signaling parameter that refers to the number transmitted through the network identifying the billing number of the calling party.
- 1.1.21 **"Claim"** means any pending or threatened claim, action, proceeding or suit.
- 1.1.22 **"Collocation"** is an arrangement where a CLEC leases space at an SBC-13STATE premises for the placement of equipment necessary for interconnection or access to SBC-13STATE Lawful UNEs.
- 1.1.23 **"Commercial Mobile Radio Services" (CMRS)** means Commercial Mobile Radio Service, As Defined in the Act and FCC rules.
- 1.1.24 **"Commission"** means the applicable State agency with regulatory authority over Telecommunications. Unless the context otherwise requires, use of the term **"Commissions"** means all of the thirteen agencies listed in this Section. The following is a list of the appropriate State agencies:
- 1.1.24.1 the Arkansas Public Service Commission (AR-PSC);
- 1.1.24.2 Public Utilities Commission of the State of California (CA-PUC);
- 1.1.24.3 the Connecticut Department of Public Utility Control (DPUC);
- 1.1.24.4 the Illinois Commerce Commission (IL-CC);
- 1.1.24.5 the Indiana Utilities Regulatory Commission (IN-URC);
- 1.1.24.6 the Kansas Corporation Commission (KS-CC);
- 1.1.24.7 the Michigan Public Service Commission (MI-PSC);
- 1.1.24.8 the Missouri Public Service Commission (MO-PSC);
- 1.1.24.9 the Public Utilities Commission of Nevada (NV-PUC);
- 1.1.24.10 the Public Utilities Commission of Ohio (PUC-OH);
- 1.1.24.11 the Oklahoma Corporation Commission (OK-CC);
- 1.1.24.12 the Public Utility Commission of Texas (PUC-TX); and
- 1.1.24.13 the Public Service Commission of Wisconsin (PSC-WI).

- 1.1.25 **"Common Channel Signaling" (CCS)** means an out-of-band, packet-switched, signaling network used to transport supervision signals, control signals, and data messages. It is a special network, fully separate from the transmission path of the public switched network. Unless otherwise agreed by the Parties, the CCS protocol used by the Parties shall be SS7.
- 1.1.26 **"Common Language Location Identifier" (CLLI)** codes provide a unique 11-character representation of a network interconnection point. The first 8 characters identify the city, state and building location, while the last 3 characters identify the network component.
- 1.1.27 **"Consequential Damages"** means Losses claimed to have resulted from any indirect, incidental, reliance, special, consequential, punitive, exemplary, multiple or any other Loss, including damages claimed to have resulted from harm to business, loss of anticipated revenues, savings, or profits, or other economic Loss claimed to have been suffered not measured by the prevailing Party's actual damages, and regardless of whether the Parties knew or had been advised of the possibility that such damages could result in connection with or arising from anything said, omitted, or done hereunder or related hereto, including willful acts or omissions.
- 1.1.28 **"Customer Usage Data"** means the Telecommunications Services usage data of a CLEC End User measured in minutes, sub-minute increments, message units, or otherwise, that is recorded by SBC-13STATE and forwarded to CLEC.
- 1.1.29 **"Custom Local Area Signaling Service Features" (CLASS)** means certain call-management service features that are currently available from SBC-13STATE's local networks. These could include: Automatic Call Back; Automatic Recall; Call Trace; Caller Identification and related blocking features; Calling Number Delivery; Customer Originated Trace; Distinctive Ringing/Call Waiting; Selective Call Forward; and Selective Call Rejection.
- 1.1.30 **"Customer Name and Address Information" (CNA)** means the name, service address and telephone numbers of a Party's End Users for a particular Exchange Area. CNA includes nonpublished listings, coin telephone information and published listings.
- 1.1.31 **"Data Interexchange Carrier" (DIXC)** is a process designed to facilitate the reciprocal exchange of voice traffic load data between the SBC-13STATE and CLECs interconnecting with its network. This reciprocal exchange of data enables SBC-13STATE and each CLEC to have a complete view of traffic loads on both ends of two-way trunk groups. The knowledge of call attempt and overflow data counts on both ends of a two-way trunk group enables each company to more accurately estimate the offered, and thereby better estimate, the required quantities of trunks.
- 1.1.32 **"Declassified" or "Declassification"** means the situation where a network element, including a network element referred to as a Lawful UNE under this Agreement, ceases to be a Lawful UNE under this Agreement because it is no longer required by Section 251(c)(3) of the Act, as determined by lawful and effective FCC rules and associated lawful and effective FCC and judicial orders. Without limitation, a Lawful UNE that has ceased to be a Lawful UNE may also be referred to as **"Declassified."**
- 1.1.33 **"Delaying Event"** means any failure of a Party to perform any of its obligations set forth in this Agreement, caused in whole or in part by:
- 1.1.33.1 the failure of the other Party to perform any of its obligations set forth in this Agreement, including but not limited to a Party's failure to provide the other Party with accurate and complete Service Orders;
- 1.1.33.2 any delay, act or failure to act by the other Party or its End User, agent or subcontractor; or
- 1.1.33.3 any Force Majeure Event.

- 1.1.34 **"Dialing Parity"** is As Defined in the Act. As used in this Agreement, Dialing Parity refers to both Local Dialing Parity and Toll Dialing Parity.
- 1.1.35 **"Digital Signal Level"** is one of several transmission rates in the time-division multiplex hierarchy.
- 1.1.35.1 **"Digital Signal Level 0" (DS-0)** is the 64 Kbps zero-level signal in the time-division multiplex hierarchy.
- 1.1.35.2 **"Digital Signal Level 1" (DS-1)** is the 1.544 Mbps first-level signal in the time-division multiplex hierarchy.
- 1.1.35.3 **"Digital Signal Level 3" (DS-3)** is the 44.736 Mbps third-level signal in the time-division multiplex hierarchy.
- 1.1.36 **"Digital Subscriber Line" (DSL)** is as defined in the applicable Appendix DSL and/or the applicable tariff, as appropriate.
- 1.1.37 **"Electronic File Transfer"** is any system or process that utilizes an electronic format and protocol to send or receive data files.
- 1.1.38 **"End Users"** means a third-party residence or business that subscribes to Telecommunications Services provided by any of the Parties at retail. As used herein, the term "End Users" does not include any of the Parties to this Agreement with respect to any item or service obtained under this Agreement.
- 1.1.39 **"Enhanced Service Provider" (ESP)** is a provider of enhanced services as those services are defined in 47 CFR Section 64.702.
- 1.1.40 **"Exchange Access"** is As Defined in the Act.
- 1.1.41 **"Exchange Area"** means an area, defined by the Commission, for which a distinct local rate schedule is in effect.
- 1.1.42 **"Exchange Message Interface" (EMI)** (formerly Exchange Message Record - EMR) is the standard used for exchange of Telecommunications message information among Telecommunications Carriers for billable, non-billable, sample, settlement and study data. EMI format is contained in Telcordia Practice BR-010-200-010, CRIS Exchange Message Record.
- 1.1.43 **"Exchange Service"** means Telephone Exchange Service, As Defined in the Act.
- 1.1.44 **"Feature Group A" (FGA)** means calls either originated by, or delivered to, an End User who has purchased switched access FGA service from the interstate or intrastate tariffs of either Party. FGA also includes, but is not limited to, FGA-like services provided by either Party, where calls are originated from and/or delivered to numbers which are assigned to a Rate Center within one LATA but where the Party receiving the call is physically located in a LATA different than the LATA of the Party originating the call. The intercarrier compensation mechanism as well as additional definitions for FGA are specified in the appropriate Appendix FGA.
- 1.1.45 **"Feature Group D" (FGD)** is access available to all customers, providing trunk side access to a Party's End Office Switches with an associated uniform 101XXXX access code for customer's use in originating and terminating communications.
- 1.1.46 **"FCC"** means the Federal Communications Commission.
- 1.1.47 **"Fiber Meet"** means an Interconnection architecture method whereby the Parties physically Interconnect their networks via an optical fiber interface (as opposed to an electrical interface) at a mutually agreed upon location, at which one Party's responsibility or service begins and the other Party's responsibility ends.
- 1.1.48 **"Foreign Exchange" (FX)** means a service whereby calls either originated by or delivered to a customer who has purchased FX service from the state or interstate tariffs of either Party. FX

also includes, but is not limited to, FX-like services provided by either Party where calls are originated from and/or delivered to numbers which are assigned to a Rate Center within one local calling area but where the Party receiving the call is physically located outside of that local calling area. FX service can be either interLATA or intraLATA. InterLATA FX, where the originating and receiving parties are physically located in different LATAs, is considered equivalent to FGA and the intercarrier compensation mechanism is the same as FGA. IntraLATA FX, when provided by two or more local exchange carriers "LECs", is considered a jointly provided service and meet-point billed by those providing it utilizing a mutually agreed to meet-point billing, or meet-point billing like procedure.

- 1.1.49 **"Fraud Monitoring System"** means an off-line administration system that monitors suspected occurrences of ABT-related fraud.
- 1.1.50 **"Governmental Authority"** means any federal, state, local, foreign, or international court, government, department, commission, board, bureau, agency, official, or other regulatory, administrative, legislative, or judicial authority with jurisdiction over the subject matter at issue.
- 1.1.51 **"Incumbent Local Exchange Carrier" (ILEC)** is As Defined in the Act.
- 1.1.52 **"Intellectual Property"** means copyrights, patents, trademarks, trade secrets, mask works and all other intellectual property rights.
- 1.1.53 **"Integrated Digital Loop Carrier"** means a subscriber loop carrier system that is twenty-four (24) local Loop transmission paths combined into a 1.544 Mbps digital signal which integrates within the switch at a DS1 level.
- 1.1.54 **"Integrated Services Digital Network" (ISDN)** means a switched network service that provides end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN (BRI-ISDN) provides for a digital transmission of two 64 Kbps bearer channels and one 16 Kbps data channel (2B+D).
- 1.1.55 **"Interconnection"** is As Defined in the Act.
- 1.1.56 **"Interconnection Activation Date"** is the date that the construction of the joint facility Interconnection arrangement has been completed, trunk groups have been established, joint trunk testing is completed and trunks have been mutually accepted by the Parties.
- 1.1.57 **"Interexchange Carrier" (IXC)** means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.
- 1.1.58 **"InterLATA"** is As Defined in the Act.
- 1.1.59 **"Intermediate Distribution Frame" (IDF)** is a second frame that augments an existing Main Distribution Frame. Lines or outside cables do not terminate on the IDF.
- 1.1.60 **"Internet Service Provider" (ISP)** is an Enhanced Service Provider that provides Internet Services, and is defined in paragraph 341 of the FCC's First Report and Order in CC Docket No. 97-158.
- 1.1.61 **"IntraLATA Toll Traffic"** means the IntraLATA traffic between two locations within one LATA where one of the locations lies outside of the normal local calling area as defined by the applicable Commission.
- 1.1.62 **"Jurisdictional Identification Parameter" (JIP)** is an existing six (6) digit (NPA-NXX) field in the SS7 message. This field designates the first point of switching.
- 1.1.63 **"Lawful,"** when used in relation to unbundling, unbundled network elements, network elements and/or UNEs or activities involving UNEs, means required by Section 251(c)(3) of the Act, as determined by lawful and effective FCC rules and associated lawful and effective FCC and judicial orders.

- 1.1.64 **"Line Information Data Base" (LIDB)** means a transaction-oriented database system that functions as a centralized repository for data storage and retrieval. LIDB is accessible through CCS networks. LIDB contains records associated with End User line numbers and special billing numbers.
- 1.1.65 **"Local Access Transport Area" (LATA)** is As Defined in the Act.
- 1.1.66 **"Local Exchange Carrier" (LEC)** is As Defined in the Act.
- 1.1.67 **"Local Exchange Routing Guide" (LERG)** is a Telcordia Reference document used by Telecommunications Carriers to identify NPA-NXX routing and homing information as well as Network element and equipment designations.
- 1.1.68 **"Local Calls"**, for purposes of intercarrier compensation, is traffic where all calls are within the same common local and common mandatory local calling area, i.e., within the same or different SBC Exchange(s) that participate in the same common local mandatory local calling area approved by the applicable state Commission. Local Calls must actually originate and actually terminate to parties physically located within the same common local or common mandatory local calling area.
- 1.1.69 **"Local Interconnection Trunks/Trunk Groups"** are used for the termination of Local Exchange Traffic, pursuant to Telcordia Technical Reference GR-317-CORE.
- 1.1.70 **"Local Loop Transmission", "Lawful Unbundled Local Loop", "Loop"** means the transmission path which extends from the Network Interface Device or demarcation point at an End User's premise to the Main Distribution Frame or other designated frame or panel in the **SBC-13STATE** Serving Wire Center.
- 1.1.71 **"Local Number Portability" (LNP)** means the ability of users of Telecommunications Services to retain, at the same location, the presence of a previously existing telephone number(s).
- 1.1.72 **"Location Routing Number" (LRN)** is a ten (10) digit number that is assigned to the network switching elements (Central Office – Host and Remotes as required) for the routing of calls in the network. The first six (6) digits of the LRN will be one of the assigned NPA NXX of the switching element. The purpose and functionality of the last four (4) digits of the LRN have not yet been defined but are passed across the network to the terminating switch.
- 1.1.73 **"Local Service Provider" (LSP)** is the LEC that provides retail local Exchange Service to an End User. The LSP may or may not provide any physical network components to support the provision of that End User's service.
- 1.1.74 **"Loss" or "Losses"** means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).
- 1.1.75 **"MECAB"** refers to the Multiple Exchange Carrier Access Billing document prepared by the Billing Committee of the Ordering and Billing Forum "OBF", which functions under the auspices of the Carrier Liaison Committee "CLC of the Alliance for Telecommunications Industry Solutions "ATIS". The MECAB document, published by ATIS as ATIS/OBF- MECAB- Issue 6, February 1998, contains the recommended guidelines for the billing of access services provided to an IXC by two or more LECs, or by one LEC in two or more states within a single LATA.
- 1.1.76 **"MECOD"** refers to the Multiple Exchange Carriers Ordering and Design Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee of the OBF, which functions under the auspices of the CLC of ATIS. The MECOD document, published by ATIS as ATIS/OBF- MECAB- Issue 3, February 1993, establishes methods for processing orders for access service which is to be provided to an IXC by two or more telecommunications providers.

- 1.1.77 **"Meet-Point Billing" (MPB)** refers to the billing associated with interconnection of facilities between two or more LECs for the routing of traffic to and from an IXC with which one of the LECs does not have a direct connection. In a multi-bill environment, each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Exchange Access Service.
- 1.1.78 **"Multiple Bill/Single Tariff"** is a billing method used when Switched Exchange Access Services is jointly provided by the Parties. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides. Each Party will bill its own network access service rates.
- 1.1.79 **"Mutual Compensation"** as defined in Appendix Reciprocal Compensation.
- 1.1.80 **"Network Data Mover" (NDM)** is an industry standard protocol for transferring information electrically.
- 1.1.81 **"Network Element"** is As Defined in the Act.
- 1.1.82 **"North American Numbering Plan" (NANP)** A numbering architecture in which every station in the NANP Area is identified by a unique ten-digit address consisting of a three-digit NPA code, a three digit central office code of the form NXX, and a four-digit line number of the form XXXX.
- 1.1.83 **"Numbering Plan Area" (NPA)** also called area code. An NPA is the 3-digit code that occupies the A, B, C positions in the 10-digit NANP format that applies throughout the NANP Area. NPAs are of the form NXX, where N represents the digits 2-9 and X represents any digit 0-9. In the NANP, NPAs are classified as either geographic or non-geographic. a) Geographic NPAs are NPAs which correspond to discrete geographic areas within the NANP Area. b) Non-geographic NPAs are NPAs that do not correspond to discrete geographic areas, but which are instead assigned for services with attributes, functionalities, or requirements that transcend specific geographic boundaries. The common examples are NPAs in the N00 format, e.g., 800.
- 1.1.84 **"Number Portability"** is As Defined in the Act.
- 1.1.85 **"NXX" or "Central Office Code"** is the three-digit switch entity indicator that is defined by the fourth through sixth digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- 1.1.86 **"Ordering and Billing Forum" (OBF)** is a forum comprised of local telephone companies and inter-exchange carriers whose responsibility is to create and document Telecommunication industry guidelines and standards.
- 1.1.87 **"Out of Exchange LEC" (OE-LEC)** means **Neutral Tandem-Arkansas, LLC; Neutral Tandem-Indiana, LLC; Neutral Tandem-Kansas, LLC; Neutral Tandem-Missouri, LLC; Neutral Tandem-Nevada, LLC; Neutral Tandem-Oklahoma, LLC; Neutral Tandem-Texas, LLC** operating within **SBC-13STATE's** incumbent local exchange area and provides telecommunications services utilizing NPA-NXXs identified to reside in a Third Party Incumbent LEC's local exchange area.
- 1.1.88 **"Out of Exchange Traffic"** is defined as local, transit, or intraLATA traffic to or from a non-SBC ILEC exchange area.
- 1.1.89 **"Party"** means either CLEC or the SBC-owned ILEC; use of the term "Party" includes each of the SBC-owned ILEC(s) that is a party to this Agreement. **"Parties"** means both CLEC and the SBC-owned ILEC; use of the term "Parties" includes each of the SBC-owned ILEC(s) that is a party to this Agreement.
- 1.1.90 **"Permanent Number Portability" (PNP)** is a long term method of providing LNP using LRN.
- 1.1.91 **"Person"** means an individual or a partnership, an association, a joint venture, a corporation, a business or a trust or other entity organized under Applicable law, an unincorporated organization or any Governmental Authority.

- 1.1.92 **"Physical Collocation"** is as defined in Appendix Physical Collocation.
- 1.1.93 **"Plain Old Telephone Service" (POTS)** means telephone service for the transmission of human speech.
- 1.1.94 **"Point of Interconnection" (POI)** is a physical location at which the Parties' networks meet for the purpose of establishing Interconnection. POIs include a number of different technologies and technical interfaces based on the Parties' mutual agreement.
- 1.1.95 **"Port"** is the point of interface/access connection to the **SBC-13STATE** public switched network. This may be a switch line side interface or switch trunk side interface.
- 1.1.96 **"Rate Center Area"** means the following in each applicable area:
- 1.1.96.1 **SBC MIDWEST REGION 5-STATE**
- 1.1.96.1.1 **"Rate Center"** means the specific geographic point that has been designated by a given LEC as being associated with a particular NPA-NXX code that has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center.
- 1.1.96.2 **SBC NEVADA**
- 1.1.96.2.1 **"Rate Center"** denotes the designated points, representing exchanges, *(or locations outside exchange areas)*, between which mileage measurements are made for the application of interexchange mileage rates. Rate Centers are defined in NV-PUC tariff A6.2.7.
- 1.1.96.3 **SBC CALIFORNIA**
- 1.1.96.3.1 **"Rate Center"** denotes the designated points, representing exchanges or district area (or locations outside exchange areas), between which mileage measurements are made for the application of interexchange and interdistrict mileage rates, as defined by the CA-PUC.A2, 2.1.1 Definition of Terms.
- 1.1.96.4 **SBC CONNECTICUT**
- 1.1.96.4.1 **"Rate Center"** means the specific geographic point and corresponding area that have been identified by a given LEC as being associated with a particular NPA-NXX code that has been assigned to the LEC for its provision of Exchange Services.
- 1.1.96.5 **SBC SOUTHWEST REGION 5-STATE**
- 1.1.96.5.1 **"Rate Center"** means an uniquely defined geographical location within an exchange area (or a location outside the exchange area) for which mileage measurements are determined for the application of interstate tariffs.
- 1.1.97 **"Rating Point"** means the V&H coordinates associated with a particular telephone number for rating purposes.
- 1.1.98 **"Referral Announcement"** refers to a process by which calls are routed to an announcement that states the new telephone number of an End User.
- 1.1.99 **"Routing Point"** is a location which a LEC has designated on its own network as the homing or routing point for traffic inbound to Exchange Service provided by the LEC which bears a certain NPA-NXX designation. The Routing Point is employed to calculate mileage measurements for the distance-sensitive transport element charges of Switched Access services. The Routing

Point need not be the same as the Rating Point, nor must it be located within the Rate Center area, but must be in the same LATA as the NPA-NXX.

- 1.1.100 "**SBC Communications Inc.**" (**SBC**) means the holding company which directly or indirectly owns the following ILECs: Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin.
- 1.1.101 "**SBC-2STATE**" - As used herein, **SBC-2STATE** means **SBC CALIFORNIA** and **SBC NEVADA**, the applicable SBC-owned ILEC(s) doing business in California and Nevada.
- 1.1.102 "**SBC-4STATE**" - As used herein, **SBC-4STATE** means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, and SBC Oklahoma, the applicable SBC-owned ILEC(s) doing business in Arkansas, Kansas, Missouri and Oklahoma.
- 1.1.103 "**SBC-7STATE**" - As used herein, **SBC-7STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC CALIFORNIA** and **SBC NEVADA**, the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 1.1.104 "**SBC-8STATE**" - As used herein, **SBC-8STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC CALIFORNIA**, **SBC NEVADA**, and **SBC CONNECTICUT** the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 1.1.105 "**SBC-10STATE**" - As used herein, **SBC-10STATE** means **SBC SOUTHWEST REGION 5-STATE** and **SBC MIDWEST REGION 5-STATE** an the applicable SBC-owned ILEC(s) doing business in Arkansas, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.1.106 "**SBC-12STATE**" - As used herein, **SBC-12STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC MIDWEST REGION 5-STATE** and **SBC-2STATE** the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.1.107 "**SBC-13STATE**" - As used herein, **SBC-13STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC MIDWEST REGION 5-STATE**, **SBC-2STATE** and **SBC CONNECTICUT** the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.1.108 "**SBC ARKANSAS**" - As used herein, **SBC ARKANSAS** means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, the applicable SBC-owned ILEC doing business in Arkansas.
- 1.1.109 "**SBC CALIFORNIA**" - As used herein, **SBC CALIFORNIA** means Pacific Bell Telephone Company d/b/a SBC California, the applicable SBC-owned ILEC doing business in California.
- 1.1.110 "**SBC CONNECTICUT**" - As used herein, **SBC CONNECTICUT** means The Southern New England Telephone Company d/b/a SBC Connecticut, the applicable above listed ILEC doing business in Connecticut.
- 1.1.111 "**SBC KANSAS**" - As used herein, **SBC KANSAS** means Southwestern Bell Telephone, L.P. d/b/a SBC Kansas, the applicable SBC-owned ILEC doing business in Kansas.
- 1.1.112 "**SBC ILLINOIS**" - As used herein, **SBC ILLINOIS** means Illinois Bell Telephone Company d/b/a SBC Illinois, the applicable SBC-owned ILEC doing business in Illinois.
- 1.1.113 "**SBC INDIANA**" - As used herein, **SBC INDIANA** means Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana, the applicable SBC-owned ILEC doing business in Indiana.



- 1.1.114 "**SBC MICHIGAN**" - As used herein, **SBC MICHIGAN** means Michigan Bell Telephone Company d/b/a SBC Michigan, the applicable SBC-owned doing business in Michigan.
- 1.1.115 "**SBC MIDWEST REGION 5-STATE**" - As used herein, **SBC MIDWEST REGION 5-STATE** means Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.
- 1.1.116 "**SBC MISSOURI**" - As used herein, **SBC MISSOURI** means Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, the applicable SBC-owned ILEC doing business in Missouri.
- 1.1.117 "**SBC NEVADA**" - As used herein, **SBC NEVADA** means Nevada Bell Telephone Company d/b/a SBC Nevada, the applicable SBC-owned ILEC doing business in Nevada.
- 1.1.118 "**SBC OHIO**" - As used herein, **SBC OHIO** means The Ohio Bell Telephone Company d/b/a SBC Ohio, the applicable SBC-owned ILEC doing business in Ohio.
- 1.1.119 "**SBC OKLAHOMA**" - As used herein, **SBC OKLAHOMA** means Southwestern Bell Telephone, L.P. d/b/a SBC Oklahoma, the applicable SBC-owned ILEC doing business in Oklahoma.
- 1.1.120 "**SBC SOUTHWEST REGION 5-STATE**" - As used herein, **SBC SOUTHWEST REGION 5-STATE** means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas the applicable above listed ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma, and Texas.
- 1.1.121 "**SBC TEXAS**" - As used herein, **SBC TEXAS** means Southwestern Bell Telephone, L.P. d/b/a SBC Texas, the applicable SBC-owned ILEC doing business in Texas.
- 1.1.122 "**SBC WISCONSIN**" - As used herein, **SBC WISCONSIN** means Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC doing business in Wisconsin.
- 1.1.123 "**Service Provider Number Portability**" (SPNP) is synonymous with Permanent Number Portability "PNP".
- 1.1.124 "**Service Switching Point**" (SSP) is a telephone central office switch equipped with a Signaling System 7 (SS7) interface.
- 1.1.125 "**Signaling System 7**" (SS7) means a signaling protocol used by the CCS Network.
- 1.1.126 "**Signal Transfer Point**" (STP) performs a packet switching function that routes signaling messages among Service Switching Points (SSP), Service Control Points (SCP), Signaling Points (SP), and other STPs in order to set up calls and to query databases for Advanced Services.
- 1.1.127 "**State Abbreviation**" means the following:
- 1.1.127.1 "AR" means Arkansas
  - 1.1.127.2 "CA" means California
  - 1.1.127.3 "CT" means Connecticut
  - 1.1.127.4 "IL" means Illinois
  - 1.1.127.5 "IN" means Indiana
  - 1.1.127.6 "KS" means Kansas
  - 1.1.127.7 "MI" means Michigan
  - 1.1.127.8 "MO" means Missouri
  - 1.1.127.9 "NV" means Nevada
  - 1.1.127.10 "OH" means Ohio
  - 1.1.127.11 "OK" means Oklahoma

- 1.1.127.12 "TX" means Texas
- 1.1.127.13 "WI" means Wisconsin
- 1.1.128 "**Switched Access Detail Usage Data**" means a category 1101xx record as defined in the EMI Telecordia Practice BR 010-200-010.
- 1.1.129 "**Switched Exchange Access Service**" means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of telephone toll service. Switched Exchange Access Services include: Feature Group A, Feature Group B, Feature Group D, 800/888 access, and 900 access and their successors or similar Switched Exchange Access Services.
- 1.1.130 "**Synchronous Optical Network**" (SONET) is an optical interface standard that allows inter-networking of transmission products from multiple vendors. The base rate is 51.84 Mbps ("OC-1/STS-1") and higher rates are direct multiples of the base rate, up to 13.22 Gbps.
- 1.1.131 "**Telecommunications**" is As Defined in the Act.
- 1.1.132 "**Telecommunications Carrier**" is As Defined in the Act.
- 1.1.133 "**Telecommunications Service**" is As Defined in the Act.
- 1.1.134 "**Telephone Exchange Service**" is As Defined in the Act.
- 1.1.135 "**Telephone Toll Service**" is As Defined in the Act.
- 1.1.136 "**Third Party**" means any Person other than a Party.
- 1.1.137 "**Toll Billing Exception Service**" (TBE) means a service that allows End Users to restrict third number billing or collect calls to their lines.
- 1.1.138 "**Trunk**" means a communication line between two switching systems.
- 1.1.139 "**Trunk-Side**" refers to a Central Office Switch connection that is capable of, and has been programmed to treat the circuit as connecting to another switching entity (for example another Central Office switch). Trunk-Side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.
- 1.1.140 "**Lawful Unbundled Network Element**" or "**Lawful UNE**" is as defined in Appendix Lawful UNEs (Lawful Provision of Access to Unbundled Network Elements).
- 1.1.141 "**Virtual Collocation**" is as defined in Appendix Virtual Collocation.
- 1.1.142 "**Wire Center**" is the location of one or more local switching systems. A point at which End User's loops within a defined geographic area converge. Such local loops may be served by one (1) or more Central Office Switches within such premises.
- 1.2 Definitions Applicable to **SBC-12STATE** Only
  - 1.2.1 "**Main Distribution Frame**" (MDF) is termination frame for outside facility and inter-exchange office equipment at the central office for DS-0 and DSL services.
  - 1.2.2 "**Serving Wire Center**" (SWC) means a Wire Center that serves the area in which the other Party's or a third party's Wire Center, aggregation point, point of termination, or point of presence is located.
  - 1.2.3 "**Universal Digital Loop Carrier**" (UDLC) describes a DLC system that has a Central Office terminal channel bank that is connected to the CO switches on the analog side.
- 1.3 Definitions Applicable to **SBC-7STATE** Only
  - 1.3.1 "**Line Side**" refers to End Office switch connections that have been programmed to treat the circuit as a local line connected to a terminating station (e.g., an ordinary subscriber's telephone station set, a PBX, answering machine, facsimile machine or computer). Line Side connections

offer only those transmission and signal features appropriate for a connection between an End Office and such terminating station.

1.4 Definitions Applicable to SBC MIDWEST REGION 5-STATE Only

1.4.1 "Line Side" refers to the switch port toward the CLEC's side of the equipment.

2. **INTERPRETATION, CONSTRUCTION AND SEVERABILITY**

2.1 Definitions

2.1.1 For purposes of this Agreement, certain terms have been defined in this Agreement to encompass meanings that may differ from, or be in addition to, the normal connotation of the defined word. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and/or "but not limited to". The words "will" and "shall" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act, or in the absence of their inclusion in the Act, their customary usage in the Telecommunications industry as of the Effective Date.

2.2 Headings Not Controlling

2.2.1 The headings and numbering of Sections, Parts, Appendices Schedules and Exhibits to this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.

2.2.2 This Agreement incorporates a number of Appendices which, together with their associated Attachments, Exhibits, Schedules and Addenda, constitute the entire Agreement between the Parties. In order to facilitate use and comprehension of the Agreement, the Appendices have been grouped under broad headings. It is understood that these groupings are for convenience of reference only, and are not intended to limit the applicability that any particular appendix, attachment, exhibit, schedule or addenda may otherwise have.

2.3 Referenced Documents

2.3.1 Unless the context shall otherwise specifically require, and subject to Section 21, whenever any provision of this Agreement refers to a technical reference, technical publication, CLEC Practice, **SBC-13STATE** Practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically incorporated into this Agreement (collectively, a "Referenced Instrument"), it will be deemed to be a reference to the then-current version or edition (including any amendments, supplements, addenda, or successors) of each Referenced Instrument that is in effect, and will include the then-current version or edition (including any amendments, supplements, addenda, or successors) of any other Referenced Instrument incorporated by reference therein.

2.4 References

2.4.1 References herein to Sections, Paragraphs, Exhibits, Parts, Schedules, and Appendices shall be deemed to be references to Sections, Paragraphs and Parts of, and Exhibits, Schedules and Appendices to, this Agreement unless the context shall otherwise require.

2.5 Tariff References

2.5.1 To the extent a tariff provision or rate is incorporated or otherwise applies between the Parties due to the provisions of this Agreement, it is understood that said tariff provision or rate applies only in the jurisdiction in which such tariff provision or rate is filed, and applies to the CLEC and

only the SBC-13STATE ILEC(s) that operates within that jurisdiction. Further, it is understood that any changes to said tariff provision or rate are also automatically incorporated herein or otherwise hereunder, effective hereunder on the date any such change is effective.

- 2.5.2 Wherever any Commission ordered tariff provision or rate is incorporated, cited or quoted herein, it is understood that said incorporation or reference applies only to the entity within the state whose Commission ordered that tariff.
- 2.5.3 Wherever the term "customer" is used in connection with SBC SOUTHWEST REGION 5-STATE's retail tariffs, the term "customer" means the ultimate "consumer" or the "end user" of any tariffed service.

2.6 Conflict in Provisions

- 2.6.1 In the event of a conflict between the provisions of this Agreement and the Act, the provisions of the Act shall govern.
- 2.6.2 If any definitions, terms or conditions in any given Appendix, Attachment, Exhibit, Schedule or Addenda differ from those contained in the main body of this Agreement, those definitions, terms or conditions will supersede those contained in the main body of this Agreement, but only in regard to the services or activities listed in that particular Appendix, Attachment, Exhibit, Schedule or Addenda. In particular, if an Appendix contains a Term length that differs from the Term length in the main body of this Agreement, the Term length of that Appendix will control the length of time that services or activities are to occur under that Appendix, but will not affect the Term length of the remainder of this Agreement.
- 2.6.3 In SBC CONNECTICUT only, in the event of a conflict between any provision in this Agreement and any provision in the DPUC-ordered tariffs covering the services that are the subject of this Agreement with SBC CONNECTICUT, such DPUC-ordered tariffs will prevail.

2.7 Joint Work Product

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

2.8 Severability

- 2.8.1 If any provision of this Agreement is rejected or held to be illegal, invalid or unenforceable, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. If necessary to effect the intent of the Parties, the Parties shall negotiate in good faith to amend this Agreement to replace the unenforceable language with enforceable language that reflects such intent as closely as possible. The Parties negotiated the terms and conditions of this Agreement for Interconnection, services and Lawful Unbundled Network Elements as a total arrangement and it is intended to be nonseverable.

2.9 Incorporation by Reference

- 2.9.1 All of the rates, terms and conditions ("Provisions") set forth in this Agreement (including any and all attachments, appendices and/or schedules hereto) and every interconnection, service and network element provided hereunder, are subject to all other Provisions contained in this Agreement (including any and all attachments, appendices and/or schedules hereto), and all such Provisions are integrally related.

2.10 Non-Voluntary Provisions

- 2.10.1 This Agreement incorporates certain rates, terms and conditions that were not voluntarily negotiated by SBC-13STATE, but instead resulted from determinations made in arbitrations under Section 252 of the Act or from other requirements of regulatory agencies or state law

(individually and collectively, a "Non-Voluntary Arrangement"). **SBC-13STATE** has identified some, but not all, of the Non-Voluntary Arrangements contained in this Agreement, by designating such provisions with asterisks. If any Non-Voluntary Arrangement is modified as a result of any order or finding by the FCC, the appropriate Commission or a court of competent jurisdiction, any Party may, by providing written notice to the other Party, require that any affected Non-Voluntary Arrangement (and any related rates, terms and conditions) be deleted or renegotiated, as applicable, in good faith and this Agreement amended accordingly. If such modifications to this Agreement are not executed within sixty (60) calendar days after the date of such notice, a Party may pursue its rights under Section 10.

2.10.2 The Parties acknowledge that the Non-Voluntary Arrangements contained in this Agreement shall not be available in any state other than the state that originally imposed/required such Non-Voluntary Arrangement. By way of example only, the Parties acknowledge that the PUC-OH's imposition in Ohio of the Minimum Telephone Service Standards (and all terms and conditions relating thereto) shall not apply in or be "portable to" any state other than Ohio.

## 2.11 State-Specific Rates, Terms and Conditions

2.11.1 For ease of administration, this multistate Agreement contains certain specified rates, terms and conditions which apply only in a designated state ("**state-specific terms**"). To the extent that this Agreement contains specified rates, terms and conditions which 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.

2.11.2 State-specific terms, as the phrase is described in Section 2.11.1 above, have been negotiated (or in the case of 2.10.2 above, 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 are to apply.

2.11.3 **Successor Rates.** Certain of the rates, prices and charges set forth in the applicable Appendix Pricing have been established by the appropriate Commissions in cost proceedings or dockets initiated under or pursuant to the Act. If during the Term that Commission or the FCC changes a rate, price or charge in an order or docket that applies to any of the Interconnection, Resale Services, Network Elements, functions, facilities, products and services available hereunder, the Parties agree to amend this Agreement to incorporate such new rates, prices and charges, with such rates, prices and charges to be effective as of the date specified in such order or docket (including giving effect to any retroactive application, if so ordered). If either Party refuses to execute an amendment to this Agreement within sixty (60) calendar days after the date of such order or docket, the other Party may pursue its rights under Section 10.

## 2.12 Scope of Obligations

2.12.1 Notwithstanding anything to the contrary contained herein except for the Out of Exchange Appendix, **SBC-13STATE's** obligations under this Agreement shall apply only to:

2.12.1.1 the specific operating area(s) or portion thereof in which **SBC-13STATE** is then deemed to be the ILEC under the Act (the "**ILEC Territory**"), and only to the extent that the CLEC is operating and offering service to End Users identified to be residing in such ILEC Territory; and

2.12.1.2 assets that **SBC-13STATE** owns or leases and which are used in connection with **SBC-13STATE's** provision to CLEC of any Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services provided or contemplated under this Agreement, the Act or any tariff or ancillary agreement referenced herein (individually and collectively, the "**ILEC Assets**").

2.12.1.3 The underlying Interconnection Agreement sets forth the terms and conditions pursuant to which SBC-12STATE agrees to provide CLEC with access to Lawful unbundled network elements under Section 251(c)(3) of the Act, Collocation under Section 251(c)(6) of the Act, Interconnection under Section 251(c)(2) of the Act and/or Resale under Section 251(c)(4) of the Act in SBC-12STATE's incumbent local exchange areas for the provision of CLEC's Telecommunications Services. The Parties acknowledge and agree that SBC-12STATE is only obligated to make available Lawful UNEs and access to Lawful UNEs under Section 251(c)(3) of the Act, Collocation under Section 251(c)(6) of the Act, Interconnection under Section 251(c)(2) of the Act and/or Resale under Section 251(c)(4) of the Act to CLEC in SBC-12STATE's incumbent local exchange areas. SBC-12STATE has no obligation to provide such Lawful UNEs, Collocation, Interconnection and/or Resale, to CLEC for the purposes of CLEC providing and/or extending service outside of SBC-12STATE's incumbent local exchange areas. In addition, SBC-12STATE is not obligated to provision Lawful UNEs or to provide access to Lawful UNEs under Section 251(c)(3) of the Act, Collocation under Section 251(c)(6) of the Act, Interconnection under Section 251(c)(2) of the Act and/or Resale under Section 251(c)(4) of the Act and is not otherwise bound by any 251(c) obligations in geographic areas other than SBC-12STATE's incumbent local exchange areas. Therefore, the Parties understand and agree that the rates, terms and conditions set forth in SBC-12STATE's current Interconnection Agreement, and any associated provisions set forth elsewhere in CLEC's current Interconnection Agreement (including but not limited to the rates set forth in this Agreement associated with Lawful UNEs under Section 251(c)(3) of the Act, Collocation under Section 251(c)(6) of the Act, Interconnection under Section 251(c)(2) of the Act and/or Resale under Section 251(c)(4) of the Act), shall only apply to the Parties and be available to CLEC for provisioning telecommunication services within an SBC-12STATE incumbent local exchange area(s) in the State in which CLEC's current Interconnection Agreement with SBC-12STATE has been approved by the relevant state Commission and is in effect.

2.12.1.4 Throughout this Agreement, wherever there are references to unbundled network elements that are to be provided by SBC-12STATE under this Agreement, the Parties agree and acknowledge that their intent is for the Agreement to comply with Section 2.12.1.3, above, and require only the provision of Lawful UNEs, regardless of whether the term "Lawful" is used as part of the reference to unbundled network elements.

## 2.13 Affiliates

2.13.1 These General Terms and Conditions and all attachments and Appendices hereto (this Agreement), including subsequent amendments, if any, shall bind SBC-13STATE, CLEC and any entity that currently or subsequently is owned or controlled by or under common ownership or control with CLEC. CLEC further agrees that the same or substantially the same terms and conditions shall be incorporated into any separate agreement between SBC-13STATE and any such CLEC Affiliate that continues to operate as a separate entity. This Agreement shall remain effective as to CLEC and any such CLEC Affiliate for the term of this Agreement as stated herein until either SBC-13STATE or CLEC or any such CLEC Affiliate institutes renegotiation consistent with the provisions of this Agreement for renewal and term. Notwithstanding the foregoing, this Agreement will not supercede a currently effective interconnection agreement between any such CLEC Affiliate and SBC-13STATE until the expiration of such other agreement.

2.14 This Agreement sets forth the terms and conditions pursuant to which SBC-13STATE agrees to provide CLEC with access to Lawful UNEs, Collocation and Resale in SBC-13STATE's incumbent local exchange areas for the provision of CLEC's Telecommunications Services ((Act, Section 251(c)). The Parties acknowledge and agree that SBC-13STATE is only obligated to make available Lawful UNEs, Collocation and Resale to CLEC in SBC-13STATE's incumbent local exchange areas. SBC-13STATE

has no obligation to provide Lawful UNEs, Collocation and Resale to CLEC for the purposes of CLEC providing and/or extending service outside of SBC-13STATE's incumbent local exchange areas. In addition, SBC-13STATE is not obligated to provision Lawful UNEs, Collocation and Resale or provide any other rights under Section 251 (c) of the Act outside of SBC-13STATE's incumbent local exchange areas. Therefore, the Parties understand and agree that the rates, terms and conditions set forth in this Interconnection Agreement, and any associated provisions set in the Attachments, Appendices, Schedules and/or Exhibits in the CLEC's current Interconnection Agreement (including but not limited to the associated Lawful UNE, Collocation and Resale rates set forth in this Agreement), shall only apply and be available to CLEC for provisioning services within an SBC-13STATE incumbent local exchange area(s) in the State in which the CLEC's Interconnection Agreement has been approved by the Commission and is in effect.

### 3. NOTICE OF CHANGES – SECTION 251(c)(5)

- 3.1 Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Each Party agrees to comply with the Network Disclosure rules adopted by the FCC in CC Docket No. 96-98, Second Report and Order, codified at 47 C.F.R. 51.325 through 51.335, as such rules may be amended from time to time (the "Network Disclosure Rules").

### 4. GENERAL RESPONSIBILITIES OF THE PARTIES

- 4.1 Upon approval by the Commission, CLEC agrees to begin providing Telephone Exchange Service within its certificated service area to business End Users within \_\_\_\_ calendar days and to residential End Users within \_\_\_\_ calendar days.
- 4.2 SBC-12STATE and CLEC shall each use their best efforts to meet the Interconnection Activation Dates.
- 4.3 Each Party is individually responsible to provide facilities within its network that are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format compatible with SBC-13STATE's network as referenced in Telcordia BOC Notes on LEC Networks Practice No. SR-TSV-002275, and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.
- 4.4 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the Interconnections required to assure traffic completion to and from all End Users in their respective designated service areas.
- 4.5 Each Party is solely responsible for all products and services it provides to its End Users and to other Telecommunications Carriers.
- 4.6 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:
- 4.6.1 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.
- 4.6.2 Commercial General Liability insurance with minimum limits of: \$10,000,000 General Aggregate limit; \$5,000,000 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; \$10,000,000 Products/Completed Operations Aggregate limit, with a \$5,000,000 each occurrence sub-limit for Products/Completed Operations. Fire Legal Liability sub-limits of

\$2,000,000 are also required if this Agreement involves collocation. The other Party must be named as an Additional Insured on the Commercial General Liability policy.

- 4.6.3 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.
- 4.6.4 Each Party shall require subcontractors providing services under this Agreement to maintain in force the insurance coverage and limits required in Sections 4.7 through 4.7.3 of this Agreement.
- 4.6.5 The Parties agree that companies affording the insurance coverage required under Section 4.7 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.
- 4.6.6 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.
- 4.6.7 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:
  - 4.6.7.1 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
  - 4.6.7.2 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
  - 4.6.7.3 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.
- 4.6.8 This Section 4.6 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.
- 4.7 Simultaneously with CLEC's execution of this Agreement, CLEC shall insert the appropriate it's state-specific authorized and nationally recognized OCN/AECNs for facilities-based (Interconnection and/or Lawful Unbundled Network Elements) and a separate and distinct OCN/AECN for Resale Services on the signature page of this Agreement and provide SBC-13STATE with a copy.
- 4.8 Assignment
  - 4.8.1 Assignment of Contract
    - 4.8.1.1 CLEC may not assign or transfer this Agreement or any rights or obligations hereunder, whether by operation of law or otherwise, to a non-affiliated third party without the prior written consent of SBC-13STATE. Any attempted assignment or transfer that is not permitted is void *ab initio*.
    - 4.8.1.2 CLEC may assign or transfer this Agreement and all rights and obligations hereunder, whether by operation of law or otherwise, to its Affiliate by providing sixty (60) calendar days' advance written notice of such assignment or transfer to SBC-13STATE; provided that such assignment or transfer is not inconsistent with Applicable Law (including the Affiliate's obligation to obtain and maintain proper Commission certification and approvals) or the terms and conditions of this Agreement. Notwithstanding the



foregoing, CLEC may not assign or transfer this Agreement, or any rights or obligations hereunder, to its Affiliate if that Affiliate is a party to a separate agreement with SBC-13STATE under Sections 251 and 252 of the Act. Any attempted assignment or transfer that is not permitted is void *ab initio*.

4.8.2 Corporate Name Change and/or change in "d/b/a" only

4.8.2.1 Any assignment or transfer of an Agreement wherein only the CLEC name is changing, and which does not include a change to a CLEC OCN/ACNA, constitutes a CLEC Name Change. For a CLEC Name Change, CLEC will incur a record order charge for each CLEC CABS BAN. For resale or any other products not billed in CABS, to the extent a record order is available, a record order charge will apply per end user record. Rates for record orders are contained in the Appendix Pricing, Schedule of Prices. CLEC shall also submit a new Operator Service Questionnaire (OSQ) to update any OS/DA Rate Reference information and Branding pursuant to the rates terms and conditions of Appendices Resale and UNE, as applicable, at the rates specified in the Appendix Pricing, Schedule of Prices to this Agreement.

4.8.3 Company Code Change

4.8.3.1 Any assignment or transfer of an Agreement associated with the transfer or acquisition of "assets" provisioned under that Agreement, where the OCN/ACNA formerly assigned to such "assets" is changing constitutes a CLEC Company Code Change. For the purposes of Section 4.8.3.1, "assets" means any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service provided under that Agreement. CLEC shall provide SBC-13STATE with ninety (90) calendar days advance written notice of any assignment associated with a CLEC Company Code Change and obtain SBC-13STATE's consent. SBC-13STATE shall not unreasonably withhold consent to a CLEC Company Code Change; provided, however, SBC-13STATE's consent to any CLEC Company Code Change is contingent upon cure of any outstanding charges owed under this Agreement and any outstanding charges associated with the "assets" subject to the CLEC Company Code Change. In addition, CLEC acknowledges that CLEC may be required to tender additional assurance of payment if requested under the terms of this Agreement.

4.8.3.2 For any CLEC Company Code Change, CLEC must submit a service order changing the OCN/ACNA for each end user record and/or a service order for each circuit ID number, as applicable. CLEC shall pay the appropriate charges for each service order submitted to accomplish a CLEC Company Code Change; such charges are contained in the Appendix Pricing, Schedule of Prices. In addition, CLEC shall submit a new OSQ to update any OS/DA Rate Reference information and Branding pursuant to the rates terms and conditions of Appendices Resale and Lawful UNE, as applicable, at the rates specified in the Appendix Pricing, Schedule of Prices to this Agreement. In addition, CLEC shall pay any and all charges required for re-stenciling, re-engineering, changing locks and any other work necessary with respect to Collocation, as determined on an individual case basis.

4.8.4 Assignment of any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service.

4.8.4.1 Any assignment or transfer of any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service provisioned pursuant to this Agreement without the transfer or the assignment of this Agreement shall be deemed a CLEC to CLEC Mass Migration. The CLEC that is a Party to this Agreement shall provide SBC-13STATE with ninety (90) calendar days advance written notice of any CLEC to CLEC Mass Migration. CLEC's written notice shall include the anticipated effective date of the assignment or transfer. The acquiring CLEC must cure any

outstanding charges associated with any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service to be transferred. In addition, the acquiring CLEC may be required to tender additional assurance of payment if requested under the terms of the acquiring CLEC's agreement.

4.8.4.2 Both CLECs involved in any CLEC to CLEC Mass Migration shall comply with all Applicable Law relating thereto, including but not limited to all FCC and state Commission rules relating to notice(s) to end users. The acquiring CLEC shall be responsible for issuing all service orders required to migrate any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service provided hereunder. The appropriate service order charge or administration fee (for interconnection) will apply as specified in the Appendix Pricing, Schedule of Prices to the acquiring CLEC's agreement. The acquiring CLEC shall also submit a new OSQ to update any OS/DA Rate Reference information and Branding pursuant to the rates terms and conditions of Appendices Resale and Lawful UNE, as applicable, at the rates specified in the Appendix Pricing, Schedule of Prices to the acquiring CLEC's agreement. In addition, the acquiring CLEC shall pay any and all charges required for re-stenciling, re-engineering, changing locks and any other work necessary with respect to Collocation, as determined on an individual case basis.

#### 4.8.5 Project Coordination

4.8.5.1 SBC-13STATE will provide project management support to effectuate changes of the types identified in Sections 4.9.2, 4.9.3, and 4.9.4.

4.8.5.2 SBC-13STATE will provide project management support to minimize any possible service outages during any CLEC to CLEC Mass Migration. Should SBC-13STATE's most current version of LSOR or ASOR guidelines not support the required order activity, SBC-13STATE will issue service orders at the manual rate, as specified in the Appendix Pricing, Schedule of Prices to this Agreement, based upon type of service provided, and on the condition that CLEC provides to SBC-13STATE any and all information SBC-13STATE reasonably requests to effectuate such changes.

4.9 When an End User changes its service provider from SBC-13STATE to CLEC or from CLEC to SBC-13STATE and does not retain its original telephone number, the Party formerly providing service to such End User shall furnish a referral announcement ("Referral Announcement") on the original telephone number that specifies the End User's new telephone number.

4.9.1 The following pertains to SBC ILLINOIS, SBC WISCONSIN and SBC CALIFORNIA only:

4.9.1.1 Referral Announcements shall be provided by a Party to the other Party for the period of time and at the rates set forth in the referring Party's tariff(s); provided, however, if either Party provides Referral Announcements for a period different (either shorter or longer) than the period(s) stated in its tariff(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

4.9.2 The following applies to SBC INDIANA only:

4.9.2.1 Referral Announcements shall be provided by a Party to the other Party for the period specified in 170 IAC 7-1.1-11(l)(3)(a) and (b) and at the rates set forth in the referring Party's tariff(s). However, if either Party provides Referral Announcements for a period different than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

4.9.3 The following applies to SBC MICHIGAN only:

4.9.3.1 Referral Announcements shall be provided by a Party to the other Party for the period specified in Michigan Administrative Rule 484.134 and at the rates set forth in the

referring Party's tariff(s). However, if either Party provides Referral Announcements for a period longer than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

4.9.4 The following applies to SBC OHIO only:

4.9.4.1 Referral Announcements shall be provided by a Party to the other Party for the period of time specified in Rule 4901:1-5-12, Ohio Administrative Code and at the rates set forth in the referring Party's tariff(s). However, if either Party provides Referral Announcements for a period longer than the above period(s) when its End Users change their telephone numbers, such Party shall provide the same level of service to End Users of the other Party.

- 4.10 Each Party shall be responsible for labor relations with its own employees. Each Party agrees to notify the other Party as soon as practicable whenever such Party has knowledge that a labor dispute concerning its employees is delaying or threatens to delay such Party's timely performance of its obligations under this Agreement and shall endeavor to minimize impairment of service to the other Party (for example, by using its management personnel to perform work or by other means) in the event of a labor dispute to the extent permitted by Applicable Law.
- 4.11 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.
- 4.12 This Agreement contains comprehensive OSS terms and conditions; however, CLEC represents and covenants that it will only use OSS furnished pursuant to this Agreement for activities related to Lawful UNEs, resold services or other services covered by this Agreement, for which this Agreement contains explicit terms, conditions and rates.
- 4.13 The Parties acknowledge and agree that they do not intend to include products and services in this Agreement that do not have corresponding rates and charges. Accordingly, if this Agreement is executed and/or approved by the Commission and the Parties later discover that a product or service is included in this Agreement without an associated rate or charge, the Parties agree that they will agree upon a rate or charge to include in this Agreement before the product or service is provided or performed. If the Parties cannot agree, either Party may pursue dispute resolution under the applicable provisions of this Agreement.

## 5. EFFECTIVE DATE, TERM, AND TERMINATION

- 5.1 In SBC-13STATE, with the exception of SBC OHIO, the Effective Date of this Agreement shall be ten (10) calendar days after the 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. In SBC OHIO, based on the PUC-OH, the Agreement is Effective upon filing and is deemed approved by operation of law on the 91<sup>st</sup> day after filing.
- 5.2 The term of this Agreement shall commence upon the Effective Date of this Agreement and shall expire on July 18, 2006, provided; however, should CLEC implement (i.e. provided assurance of payment, ordered facilities, and submitted ASRs for trunking) this Agreement within six (6) months of the Effective Date, then this Agreement will automatically renew for one additional year and expire on July 18, 2007 (the "Term"). Absent the receipt by one Party of written notice from the other Party within 180 calendar days prior to the expiration of the Term to the effect that such Party does not intend to extend the Term, this Agreement shall remain in full force and effect on and after the expiration of the Term until terminated by either Party pursuant to Section 5.3 or 5.4.
- 5.3 Notwithstanding any other provision of this Agreement, either Party may terminate this Agreement and the provision of any Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services provided pursuant to this Agreement, at the sole discretion of the

terminating Party, in the event that the other Party fails to perform a material obligation or breaches a material term of this Agreement and the other Party fails to cure such nonperformance or breach within forty-five (45) calendar days after written notice thereof. Any termination of this Agreement pursuant to this Section 5.3 shall take effect immediately upon delivery of written notice to the other Party that it failed to cure such nonperformance or breach within forty-five (45) calendar days after written notice thereof.

- 5.4 If pursuant to Section 5.2, this Agreement continues in full force and effect after the expiration of the Term, either Party may terminate this Agreement after delivering written notice to the other Party of its intention to terminate this Agreement, subject to Sections 5.5 and 5.6. Neither Party shall have any liability to the other Party for termination of this Agreement pursuant to this Section 5.4 other than its obligations under Sections 5.5 and 5.6.
- 5.5 Upon termination or expiration of this Agreement in accordance with Sections 5.2, 5.3 or 5.4:
- 5.5.1 Each Party shall continue to comply with its obligations set forth in Section 41; and
- 5.5.2 Each Party shall promptly pay all amounts owed under this Agreement or place any Disputed Amounts into an escrow account that complies with Section 8.4 hereof;
- 5.5.3 Each Party's confidentiality obligations shall survive; and
- 5.5.4 Each Party's indemnification obligations shall survive.
- 5.6 If either Party serves notice of expiration pursuant to Section 5.2 or Section 5.4, CLEC shall have ten (10) calendar days to provide SBC-13STATE written confirmation if CLEC wishes to pursue a successor agreement with SBC-13STATE or terminate its agreement. CLEC shall identify the action to be taken on each applicable (13) state(s). If CLEC wishes to pursue a successor agreement with SBC-13STATE, CLEC shall attach to its written confirmation or notice of expiration/termination, as applicable, a written request to commence negotiations with SBC-13STATE under Sections 251/252 of the Act and identify each of the state(s) the successor agreement will cover. Upon receipt of CLEC's Section 252(a)(1) request, the Parties shall commence good faith negotiations on a successor agreement.
- 5.7 If written notice is not issued pursuant to Section 5.2, the rates, terms and conditions of this Agreement shall continue in full force and effect until the earlier of (i) the effective date of its successor agreement, whether such successor agreement is established via negotiation, arbitration or pursuant to Section 252(i) of the Act; or (ii) the date that is ten (10) months after the date on which SBC-13STATE received CLEC's Section 252(a)(1) request.
- 5.8 If at any time during the Section 252(a)(1) negotiation process (prior to or after the expiration date or termination date of this Agreement), CLEC withdraws its Section 252(a)(1) request, CLEC must include in its notice of withdrawal a request to adopt a successor agreement under Section 252(i) of the Act or affirmatively state that CLEC does not wish to pursue a successor agreement with SBC-13STATE for a given state. The rates, terms and conditions of this Agreement shall continue in full force and effect until the later of: 1) the expiration of the term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date CLEC provides notice of withdrawal of its Section 252(a)(1) request. If the Term of this Agreement has expired, on the earlier of (i) the ninety-first (91st) calendar day following SBC-13STATE's receipt of CLEC's notice of withdrawal of its Section 252(a)(1) request or (ii) the effective date of the agreement following approval by the Commission of the adoption of an agreement under 252(i), the Parties shall have no further obligations under this Agreement except those set forth in Section 5.5 of this Agreement.
- 5.9 If CLEC does not affirmatively state that it wishes to pursue a successor agreement with SBC-13STATE in its, as applicable, notice of expiration or termination or the written confirmation required after receipt of the SBC-owned ILEC's notice of expiration or termination, then the rates, terms and conditions of this Agreement shall continue in full force and effect until the later of 1) the expiration of the Term of this Agreement, or 2) the expiration of ninety (90) calendar days after the date CLEC

provided or received notice of expiration or termination. If the Term of this Agreement has expired, on the ninety-first (91st) day following CLEC provided or received notice of expiration or termination, the Parties shall have no further obligations under this Agreement except those set forth in Section 5.5 of this Agreement.

- 5.10 In the event of termination of this Agreement pursuant to Section 5.9, SBC-13STATE and CLEC shall cooperate in good faith to effect an orderly transition of service under this Agreement; provided that CLEC shall be solely responsible (from a financial, operational and administrative standpoint) to ensure that its End Users have been transitioned to a new LEC by the expiration date or termination date of this Agreement.

## 6. END USER FRAUD

- 6.1 SBC-13STATE shall not be liable to CLEC for any fraud associated with CLEC's End User's account, including 1+ IntraLATA toll, ported numbers, and Alternate Billing Traffic (ABT). ABT is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABT calls: calling card, collect, and third number billed calls.
- 6.2 The Parties agree to cooperate with one another to investigate, minimize, and take corrective action in cases of fraud involving 1+ IntraLATA toll calls, ABT, and ported numbers. The Parties' fraud minimization procedures are to be cost-effective and implemented so as not to unduly burden or harm one Party as compared to the other.
- 6.3 In cases of suspected fraudulent activity by an End User, at a minimum, the cooperation referenced in Section 6.2 will include providing to the other Party, upon request, information concerning Customers who terminate services to that Party without paying all outstanding charges. The Party seeking such information is responsible for securing the End User's permission to obtain such information.
- 6.4 SBC-10STATE, SBC CALIFORNIA, and SBC CONNECTICUT will provide notification messages to CLEC on suspected occurrences of ABT-related fraud on CLEC accounts stored in the applicable LIDB. SBC CALIFORNIA will provide such alert messages by e-mail. SBC-10STATE and SBC CONNECTICUT will provide via fax.
- 6.4.1 SBC SOUTHWEST REGION 5-STATE (on behalf of itself and SBC CONNECTICUT) and SBC CALIFORNIA will use a Fraud Monitoring System to determine suspected occurrences of ABT-related fraud for CLEC using the same criteria SBC SOUTHWEST REGION 5-STATE and SBC CALIFORNIA use to monitor fraud on their respective accounts.
- 6.4.2 CLEC understands that Fraud Monitoring System alerts only identify potential occurrences of fraud. CLEC understands and agrees that it will need to perform its own investigations to determine whether a fraud situation actually exists. CLEC understands and agrees that it will also need to determine what, if any, action CLEC should take as a result of a Fraud Monitoring System alert.
- 6.4.3 The Parties will provide contact names and numbers to each other for the exchange of Fraud Monitoring System alert notification.
- 6.5 In SBC SOUTHWEST REGION 5-STATE and SBC CALIFORNIA ABT-related alerts are provided to CLEC at no additional charge, except as related in 6.6 below.
- 6.6 In SBC CALIFORNIA 1+ IntraLATA toll fraud alerts are offered for Resale only under the product name Traffic Alert Referral Service (TARS). For TARS, CLEC agrees to pay a recurring usage rate as outlined in Appendix Pricing. For terms and conditions for TARS, see Appendix Resale.

## 7. ASSURANCE OF PAYMENT

- 7.1 Upon request by SBC-13STATE, CLEC will provide SBC-13STATE with adequate assurance of payment of amounts due (or to become due) to SBC-13STATE.

- 7.2 Assurance of payment may be requested by SBC-12STATE if:
- 7.2.1 at the Effective Date CLEC had not already established satisfactory credit by having made at least twelve (12) consecutive months of timely payments to SBC-13STATE for charges incurred as a CLEC; or
  - 7.2.2 in SBC-12STATE's reasonable judgment, at the Effective Date or at any time thereafter, there has been an impairment of the established credit, financial health, or credit worthiness of CLEC. Such impairment will be determined from information available from financial sources, including but not limited to Moody's, Standard and Poor's, and the Wall Street Journal. Financial information about CLEC that may be considered includes, but is not limited to, investor warning briefs, rating downgrades, and articles discussing pending credit problems; or
  - 7.2.3 CLEC fails to timely pay a bill rendered to CLEC by SBC-12STATE (except such portion of a bill that is subject to a good faith, bona fide dispute and as to which CLEC has complied with all requirements set forth in Section 9.3); or
  - 7.2.4 CLEC admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had an involuntary case commenced against it) under the U.S. Bankruptcy Code or any other law relating to insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.
- 7.3 Unless otherwise agreed by the Parties, the assurance of payment will, at SBC-12STATE's option, consist of
- 7.3.1 a cash security deposit in U.S. dollars held by SBC-12STATE ("Cash Deposit") or
  - 7.3.2 an unconditional, irrevocable standby bank letter of credit from a financial institution acceptable to SBC-12STATE naming the SBC-owned ILEC(s) designated by SBC-12STATE as the beneficiary(ies) thereof and otherwise in form and substance satisfactory to SBC-12STATE ("Letter of Credit").
  - 7.3.3 The Cash Deposit or Letter of Credit must be in an amount equal to three (3) months anticipated charges (including, but not limited to, recurring, non-recurring and usage sensitive charges, termination charges and advance payments), as reasonably determined by SBC-12STATE, for the Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation or any other functions, facilities, products or services to be furnished by SBC-12STATE under this Agreement.
    - 7.3.3.1 Notwithstanding anything else set forth in this Agreement, SBC SOUTHWEST REGION 5-STATE will not request assurance of payment of charges reasonably anticipated by SBC SOUTHWEST REGION 5-STATE to be incurred in Arkansas in an amount that would exceed one (1) month's projected bill for CLEC's initial market entry; provided, however, that after three (3) months of operation, SBC SOUTHWEST REGION 5-STATE may request assurance of payment of charges reasonably anticipated by SBC SOUTHWEST REGION 5-STATE to be incurred in Arkansas in an amount not to exceed two times projected average monthly billing to CLEC.
    - 7.3.3.2 Notwithstanding anything else set forth in this Agreement, SBC SOUTHWEST REGION 5-STATE will not request assurance of payment of charges reasonably anticipated by SBC SOUTHWEST REGION 5-STATE to be incurred in Oklahoma in an amount that would exceed two times projected average monthly billing to CLEC.
- 7.4 To the extent that SBC-12STATE elects to require a Cash Deposit, the Parties intend that the provision of such Cash Deposit shall constitute the grant of a security interest in the Cash Deposit pursuant to Article 9 of the Uniform Commercial Code in effect in any relevant jurisdiction.
- 7.5 A Cash Deposit will accrue interest, however, SBC-12STATE will not pay interest on a Letter of Credit.

- 7.6 **SBC-12STATE** may, but is not obligated to, draw on the Letter of Credit or the Cash Deposit, as applicable, upon the occurrence of any one of the following events:
- 7.6.1 CLEC owes **SBC-12STATE** undisputed charges under this Agreement that are more than thirty (30) calendar days past due; or
  - 7.6.2 CLEC admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had an involuntary case commenced against it) under the U.S. Bankruptcy Code or any other law relating to insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding; or
  - 7.6.3 The expiration or termination of this Agreement.
- 7.7 If **SBC-12STATE** draws on the Letter of Credit or Cash Deposit, upon request by **SBC-12STATE**, CLEC will provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 7.3.
- 7.8 Notwithstanding anything else set forth in this Agreement, if **SBC-12STATE** makes a request for assurance of payment in accordance with the terms of this Section, then **SBC-12STATE** shall have no obligation thereafter to perform under this Agreement until such time as CLEC has furnished **SBC-12STATE** with the assurance of payment requested; provided, however, that **SBC-12STATE** will permit CLEC a minimum of ten (10) Business Days to respond to a request for assurance of payment before invoking this Section.
- 7.8.1 If CLEC fails to furnish the requested adequate assurance of payment on or before the date set forth in the request, **SBC-12STATE** may also invoke the provisions set forth in Section 9.5 through Section 9.7.
- 7.9 The fact that a Cash Deposit or Letter of Credit is requested by **SBC-12STATE** shall in no way relieve CLEC from timely compliance with all payment obligations under this Agreement (including, but not limited to, recurring, non-recurring and usage sensitive charges, termination charges and advance payments), nor does it constitute a waiver or modification of the terms of this Agreement pertaining to disconnection or re-entry for non-payment of any amounts required to be paid hereunder.
- 7.10 For adequate assurance of payment of amounts due (or to become due) to **SBC CONNECTICUT**, see the applicable DPUC ordered tariff.

## 8. BILLING AND PAYMENT OF CHARGES

- 8.1 Unless otherwise stated, each Party will render monthly bill(s) to the other for Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products and services provided hereunder at the rates set forth in the applicable Appendix Pricing, as set forth in applicable tariffs or other documents specifically referenced herein and, as applicable, as agreed upon by the Parties or authorized by a Party.
- 8.1.1 Remittance in full of all bills rendered by **SBC-10STATE** and **SBC CALIFORNIA** is due within thirty (30) calendar days of each bill date (the "Bill Due Date"). Payment must be made in accordance with the terms set forth in Section 8.3 of this Agreement.
  - 8.1.2 Remittance in full of all bills rendered by **SBC NEVADA** is due in accordance with the terms set forth in the Commission C2-A Tariff, with the date on which amounts are due referred to herein as the "Bill Due Date."
  - 8.1.3 Remittance in full of all bills rendered by **SBC CONNECTICUT** is due in accordance with the terms set forth in the Connecticut Access Service Tariff approved by the DPUC, with the date on which amounts are due referred to herein as the "Bill Due Date."
  - 8.1.4 Remittance in full of all bills rendered by CLEC is due within thirty (30) calendar days of each bill date (the "Bill Due Date").

- 8.1.5 If CLEC fails to remit payment for any charges by the Bill Due Date, or if payment for any portion of the charges is received from CLEC after the Bill Due Date, or if payment for any portion of the charges is received in funds which are not immediately available to SBC-12STATE as of the Bill Due Date (individually and collectively, "Past Due"), then a late payment charge will be assessed as provided in Sections 8.1.5.1 through 8.1.5.3, as applicable.
- 8.1.5.1 If any charge incurred under this Agreement that is billed out of any SBC-8STATE billing system other than the SBC SOUTHWEST REGION 5-STATE Customer Records Information System (CRIS) is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid at the lesser of (i) the rate used to compute the Late Payment Charge in the applicable SBC-8STATE intrastate access services tariff for that state and (ii) the highest rate of interest that may be charged under Applicable Law. The method and timing for application of interest to any charge incurred under this Agreement that is billed out of any SBC-8STATE billing system other than SBC SOUTHWEST REGION 5-STATE's CRIS will comply with the process set forth in the applicable SBC-8STATE intrastate access services tariff for that state.
- 8.1.5.2 If any charge incurred under this Agreement that is billed out of SBC SOUTHWEST REGION 5-STATE's CRIS is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid. The interest rate applied to SBC SOUTHWEST REGION 5-STATE CRIS-billed Past Due unpaid amounts will be the lesser of (i) the rate used to compute the Late Payment Charge contained in the applicable SBC SOUTHWEST REGION 5-STATE intrastate retail tariff governing Late Payment Charges to SBC SOUTHWEST REGION 5-STATE's retail End Users that are business End Users in that state and (ii) the highest rate of interest that may be charged under Applicable Law. The method and timing for application of interest to any charge incurred under this Agreement that is billed out of SBC SOUTHWEST REGION 5-STATE's CRIS will be governed by the SBC SOUTHWEST REGION 5-STATE intrastate retail tariff governing Late Payment Charges to SBC SOUTHWEST REGION 5-STATE's retail End Users that are business End Users in that state.
- 8.1.5.3 If any charge incurred under this Agreement that is billed out of any SBC MIDWEST REGION 5-STATE billing system is Past Due, the unpaid amounts will accrue interest from the Bill Due Date at the lesser of (i) one and one-half percent (1 ½%) per month and (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the day following the Bill Due Date to and including the date that the payment is actually made and available.
- 8.2 If any charge incurred by SBC-13STATE under this Agreement is Past Due, the unpaid amounts will accrue interest from the day following the Bill Due Date until paid. The interest rate applied will be the lesser of (i) the rate used to compute the Late Payment Charge contained in the applicable SBC-13STATE intrastate access services tariff for that state and (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the Bill Due Date to and including the date that the payment is actually made and available.
- 8.3 CLEC shall make all payments to SBC-12STATE via electronic funds credit transfers through the Automated Clearing House Association (ACH) network to the financial institution designated by SBC-12STATE. Remittance information will be communicated together with the funds transfer via the ACH network. CLEC must use the CCD+ or the CTX transaction set. CLEC and SBC-12STATE will abide by the National Automated Clearing House Association (NACHA) Rules and Regulations. Each ACH credit transfer must be received by SBC-12STATE no later than the Bill Due Date of each bill or Late Payment Charges will apply. SBC-12STATE is not liable for any delays in receipt of funds or errors in entries caused by CLEC or Third Parties, including CLEC's financial institution. CLEC is responsible for its own banking fees.



- 8.3.1 Processing of payments not made via electronic funds credit transfers through the ACH network may be delayed. CLEC is responsible for any Late Payment Charges resulting from CLEC's failure to use electronic funds credit transfers through the ACH network.
- 8.3.2 CLEC must make all payments to SBC CONNECTICUT in "immediately available funds." All payments to SBC CONNECTICUT must be made using one of the methods set forth in the Connecticut Access Service Tariff approved by the DPUC or via electronic funds credit transfers through the Automated Clearing House Association (ACH) network to the financial institution designated by SBC CONNECTICUT. If CLEC makes payment through funds transfer via the ACH network, remittance information will be communicated together with the funds transfer via the ACH network. If CLEC makes payment through funds transfer via the ACH network, CLEC must use the CCD+ or the CTX transaction set. CLEC and SBC CONNECTICUT will abide by the National Automated Clearing House Association (NACHA) Rules and Regulations. Each payment must be received by SBC CONNECTICUT no later than the Bill Due Date of each bill or Late Payment Charges will apply. SBC CONNECTICUT is not liable for any delays in receipt of funds or errors in entries caused by CLEC or Third Parties, including CLEC's financial institution. CLEC is responsible for its own banking fees.
- 8.4 If any portion of an amount due to a Party (the "**Billing Party**") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "**Non-Paying Party**") must, prior to the Bill Due Date, give written notice to the Billing Party of the amounts it disputes ("**Disputed Amounts**") and include in such written notice the specific details and reasons for disputing each item listed in Section 10.4.1. The Disputing Party should utilize any existing and preferred form provided by the Billing Party to communicate disputes to the Billing Party. On or before the Bill Due Date, the Non-Paying Party must pay (i) all undisputed amounts to the Billing Party, and (ii) all Disputed Amounts [other than disputed charges arising from Appendix Reciprocal Compensation] into an interest bearing escrow account with a Third Party escrow agent mutually agreed upon by the Parties.
- 8.5 Disputed Amounts in escrow will be subject to Late Payment Charges as set forth in Section 8.1.5.
- 8.6 Requirements to Establish Escrow Accounts.
- 8.6.1 To be acceptable, the Third Party escrow agent must meet all of the following criteria:
- 8.6.1.1 The financial institution proposed as the Third Party escrow agent must be located within the continental United States;
- 8.6.1.2 The financial institution proposed as the Third Party escrow agent may not be an Affiliate of either Party; and
- 8.6.1.3 The financial institution proposed as the Third Party escrow agent must be authorized to handle ACH (credit transactions) (electronic funds) transfers.
- 8.6.2 In addition to the foregoing requirements for the Third Party escrow agent, the disputing Party and the financial institution proposed as the Third Party escrow agent must agree in writing furnished to the Billing Party that the escrow account will meet all of the following criteria:
- 8.6.2.1 The escrow account must be an interest bearing account;
- 8.6.2.2 all charges associated with opening and maintaining the escrow account will be borne by the disputing Party;
- 8.6.2.3 that none of the funds deposited into the escrow account or the interest earned thereon may be used to pay the financial institution's charges for serving as the Third Party escrow agent;
- 8.6.2.4 all interest earned on deposits to the escrow account will be disbursed to the Parties in the same proportion as the principal; and
- 8.6.2.5 disbursements from the escrow account will be limited to those:

- 8.6.2.5.1 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
  - 8.6.2.5.2 made in accordance with the final, non-appealable order of the arbitrator appointed pursuant to the provisions of Section 10.7; or
  - 8.6.2.5.3 made in accordance with the final, non-appealable order of the court that had jurisdiction to enter the arbitrator's award pursuant to Section 10.7.
- 8.6.3 Disputed Amounts in escrow will be subject to Late Payment Charges as set forth in Section 8.1.5.
- 8.6.4 Issues related to Disputed Amounts shall be resolved in accordance with the procedures identified in the Dispute Resolution provisions set forth in Section 10.
- 8.7 If the Non-Paying Party disputes any charges and any portion of the dispute is resolved in favor of such Non-Paying Party, the Parties will cooperate to ensure that all of the following actions are completed:
  - 8.7.1 the Billing Party will credit the invoice of the Non-Paying Party for that portion of the Disputed Amounts resolved in favor of the Non-Paying Party, together with any Late Payment Charges assessed with respect thereto no later than the second Bill Due Date after resolution of the dispute;
    - 8.7.1.1 within ten (10) Business Days after resolution of the dispute, the portion of the escrowed Disputed Amounts resolved in favor of the Non-Paying Party will be released to the Non-Paying Party, together with any interest accrued thereon;
    - 8.7.1.2 within ten (10) Business Days after resolution of the dispute, the portion of the escrowed Disputed Amounts resolved in favor of the Billing Party will be released to the Billing Party, together with any interest accrued thereon; and
    - 8.7.1.3 no later than the third Bill Due Date after the resolution of the dispute, the Non-Paying Party will pay the Billing Party the difference between the amount of accrued interest the Billing Party received from the escrow disbursement and the amount of Late Payment Charges the Billing Party is entitled to receive pursuant to Section 8.1.5.
- 8.8 If the Non-Paying Party disputes any charges and the entire dispute is resolved in favor of the Billing Party, the Parties will cooperate to ensure that all of the actions required by Section 8.7.1.1 and Section 8.7.1.3 are completed within the times specified therein.
  - 8.8.1 Failure by the Non-Paying Party to pay any charges determined to be owed to the Billing Party within the time specified in Section 8.7 shall be grounds for termination of the Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products and services provided under this Agreement.
- 8.9 If either Party requests one or more additional copies of a bill, the requesting Party will pay the Billing Party a reasonable fee for each additional copy, unless such copy was requested due to failure in delivery of the original bill or correction(s) to the original bill.
  - 8.9.1 Each additional copy of any bill provided for billing from **SBC SOUTHWEST REGION 5-STATE's** CABS billing system will incur charges as specified in Access Service Tariff FCC No. 73 Section 13 Alternate Bill Media.
  - 8.9.2 Bills provided to CLEC from **SBC SOUTHWEST REGION 5-STATE's** CRIS system through Bill Plus will incur charges as specified in Appendix Pricing.
- 8.10 Exchange of Billing Message Information
  - 8.10.1 **SBC-13STATE** will provide CLEC a specific Daily Usage File ("DUF" or "Usage Extract") for Resale Services and Lawful Unbundled Network Element usage sensitive services provided hereunder ("Customer Usage Data"). Such Customer Usage Data will be provided by **SBC-**

13STATE in accordance with Exchange Message Interface (EMI) guidelines supported by OBF. Any exceptions to the supported formats will be noted in the DUF implementation requirements documentation for each SBC-owned ILEC. The DUF will include (i) specific daily usage, including both Local Traffic (if and where applicable) and LEC-carried IntralATA Toll Traffic, in EMI format for usage sensitive services furnished in connection with each Resale Service and Lawful Unbundled Network Element to the extent that similar usage sensitive information is provided to retail End Users of SBC-13STATE within that state, (ii) with sufficient detail to enable CLEC to bill its End Users for usage sensitive services furnished by SBC-13STATE in connection with Resale Services and Lawful Unbundled Network Elements provided by SBC-13STATE. Procedures and processes for implementing the interfaces with SBC-13STATE will be included in implementation requirements documentation.

- 8.10.2 To establish file transmission for the Daily Usage File, CLEC must provide to SBC-13STATE a separate written request for each state no less than sixty (60) calendar days prior to the desired first transmission date for each file.
- 8.10.3 Call detail for LEC-carried calls that are alternately billed to CLEC End Users' lines provided by SBC-13STATE through Resale will be forwarded to CLEC as rated call detail on the DUF.
- 8.10.4 SBC SOUTHWEST REGION 5-STATE will bill CLEC for Usage Extract furnished by SBC SOUTHWEST REGION 5-STATE in accordance with the price(s) provided in the applicable Appendix Pricing under "Electronic Billing Information Data (Daily Usage) per message" or Provision of Message Detail a.k.a. Daily Usage File (DUF)."
- 8.10.5 Interexchange call detail on Resale Services that is forwarded to SBC-13STATE for billing, which would otherwise be processed by SBC-13STATE for its retail End Users, will be returned to the IXC and will not be passed through to CLEC. This call detail will be returned to the IXC with a transaction code indicating that the returned call originated from a resold account. Billing for Information Services and other ancillary services traffic on Resale Services will be passed through when SBC-13STATE records the message.
- 8.11 When CLEC serves its end user via switch-based service, both Parties will settle tariffed ABT charges for calls accepted by each Party's end users, except in SBC Connecticut. The originating Party will pay the Party that has the billable end user a Billing and Collection (B&C) fee per billed message as set forth in the pricing schedule.

## 9. NONPAYMENT AND PROCEDURES FOR DISCONNECTION

- 9.1 If a Party is furnished Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products and services under the terms of this Agreement in more than one (1) state, Sections 9.1 through 9.7, inclusive, shall be applied separately for each such state.
- 9.2 Failure to pay charges shall be grounds for disconnection of Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products and services furnished under this Agreement. If a Party fails to pay any charges billed to it under this Agreement, including but not limited to any Late Payment Charges or miscellaneous charges ("**Unpaid Charges**"), and any portion of such Unpaid Charges remain unpaid after the Bill Due Date, the Billing Party will notify the Non-Paying Party in writing that in order to avoid disruption or disconnection of the Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products and services furnished under this Agreement, the Non-Paying Party must remit all Unpaid Charges to the Billing Party within ten (10) Business Days following receipt of the Billing Party's notice of Unpaid Charges.
- 9.2.1 SBC INDIANA will also provide any written notification to the Indiana Utility Regulatory Commission as required by rule 170 IAC 7-6.
- 9.2.2 SBC KANSAS will also provide any written notification to the Kansas Corporation Commission as required by Order Number 5 (dated March 25, 2002) in Docket 01-GIMT-649-GIT.

- 9.2.3 **SBC MISSOURI** will also provide any written notification to the Missouri Public Service Commission as required by Rule 4 CSR 240-32.120.
- 9.3 If the Non-Paying Party desires to dispute any portion of the Unpaid Charges, the Non-Paying Party must complete all of the following actions not later than ten (10) Business Days following receipt of the Billing Party's notice of Unpaid Charges:
- 9.3.1 notify the Billing Party in writing which portion(s) of the Unpaid Charges it disputes, including the total amount disputed ("**Disputed Amounts**") and the specific details listed in Section 10.4.1 of this Agreement, together with the reasons for its dispute; and
- 9.3.2 pay all undisputed Unpaid Charges to the Billing Party; and
- 9.3.3 pay all Disputed Amounts [other than disputed charges arising from Appendix Reciprocal Compensation] into an interest bearing escrow account that complies with the requirements set forth in Section 8.6; and
- 9.3.4 furnish written evidence to the Billing Party that the Non-Paying Party has established an interest bearing escrow account that complies with all of the terms set forth in Section 8.6 and deposited a sum equal to the Disputed Amounts [other than disputed charges arising from Appendix Reciprocal Compensation] into that account. Until evidence that the full amount of the Disputed Charges [other than disputed charges arising from Appendix Reciprocal Compensation] has been deposited into an escrow account that complies with Section 8.6 is furnished to the Billing Party, such Unpaid Charges will not be deemed to be "disputed" under Section 10.
- 9.4 Issues related to Disputed Amounts shall be resolved in accordance with the procedures identified in the Dispute Resolution provision set forth in Section 10.
- 9.5 **SBC-12STATE**
- 9.5.1 If the Non-Paying Party fails to (a) pay any undisputed Unpaid Charges in response to the Billing Party's Section 9.2 notice, (b) deposit the disputed portion of any Unpaid Charges into an interest bearing escrow account that complies with all of the terms set forth in Section 8.6 within the time specified in Section 9.3, (c) timely furnish any assurance of payment requested in accordance with Section 7 or (d) make a payment in accordance with the terms of any mutually agreed payment arrangement, the Billing Party may, in addition to exercising any other rights or remedies it may have under Applicable Law, provide written demand to the Non-Paying Party for payment of any of the obligations set forth in (a) through (d) of this Section within ten (10) Business Days. On the day that the Billing Party provides such written demand to the Non-Paying Party, the Billing Party may also exercise any or all of the following options:
- 9.5.1.1 suspend acceptance of any application, request or order from the Non-Paying Party for new or additional Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services under this Agreement; and/or
- 9.5.1.2 suspend completion of any pending application, request or order from the Non-Paying Party for new or additional Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services under this Agreement.
- 9.5.2 Notwithstanding anything to the contrary in this Agreement, the Billing Party's exercise of any of its options under Section 9.5.1, Section 9.5.1.1 and Section 9.5.1.2:
- 9.5.2.1 will not delay or relieve the Non-Paying Party's obligation to pay all charges on each and every invoice on or before the applicable Bill Due Date, and
- 9.5.2.2 will exclude any affected application, request, order or service from any otherwise applicable performance interval, Performance Benchmark or Performance Measure.

9.6 SBC MIDWEST REGION 5-STATE only

- 9.6.1 If the Non-Paying Party fails to pay the Billing Party on or before the date specified in the demand provided under Section 9.5.1 of this Agreement, the Billing Party may, in addition to exercising any other rights or remedies it may have under Applicable Law,
- 9.6.1.1 cancel any pending application, request or order from the Non-Paying Party for new or additional Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services under this Agreement; and
  - 9.6.1.2 discontinue providing any Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services furnished under this Agreement.
    - 9.6.1.2.1 Notwithstanding any inconsistent provisions in this Agreement, discontinuance of service by SBC INDIANA will comply with Indiana Utility Regulatory Commission rule 170 IAC 7-6.
    - 9.6.1.2.2 The Billing Party has no liability to the Non-Paying Party or its End Users in the event of discontinuance of service.
    - 9.6.1.2.3 Additional charges may become applicable under the terms of this Agreement following discontinuance of service.

9.7 SBC-7STATE only

- 9.7.1 Any demand provided by SBC-7STATE to CLEC under Section 9.5.1 will further specify that upon disconnection of CLEC, SBC-7STATE will cause CLEC's End Users that are provisioned through Resale Services to be transferred to SBC-7STATE local service.
- 9.7.1.1 A copy of the demand provided to CLEC under Section 9.7.1 will be provided to the Commission.
- 9.7.2 If the Non-Paying Party fails to pay the Billing Party on or before the date specified in the demand provided under Section 9.5.1 of this Agreement, the Billing Party may, in addition to exercising any other rights or remedies it may have under Applicable Law,
- 9.7.2.1 cancel any pending application, request or order for new or additional Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services under this Agreement; and
  - 9.7.2.2 disconnect any Interconnection, Resale Services, Lawful Unbundled Network Elements, Collocation, functions, facilities, products or services furnished under this Agreement.
    - 9.7.2.2.1 Notwithstanding any inconsistent provisions in this Agreement, disconnection of service by SBC KANSAS will comply with Kansas Corporation Commission Order Number 5 (dated March 25, 2002) in Docket 01-GIMT-649-GIT.
- 9.7.3 On the same date that Resale Services to CLEC are disconnected, SBC-7STATE will transfer CLEC's End Users provisioned through Resale Services to SBC-7STATE's local service. To the extent available at retail from SBC-7STATE, the Resale End Users transferred to SBC-7STATE's local service will receive the same services that were provided through CLEC immediately prior to the time of transfer; provided, however, SBC-7STATE reserves the right to toll restrict (both interLATA and intraLATA) such transferred End Users.
- 9.7.3.1 Notwithstanding any inconsistent provisions in this Agreement, the transfer of Resale End Users to SBC MISSOURI will comply with Missouri Public Service Commission Rule 4 CSR 240-32.120.
  - 9.7.3.2 SBC-7STATE will inform the Commission of the names of all Resale End Users transferred through this process.

- 9.7.3.3 Conversion charges and service establishment charges for transferring Resale End Users to SBC-7STATE as specified in Section 9.7.3 will be billed to CLEC.
- 9.7.3.4 The Billing Party has no liability to the Non-Paying Party or its End Users in the event of disconnection of service in compliance with Section 9.7.2. SBC-7STATE has no liability to CLEC or CLEC's End Users in the event of disconnection of service to CLEC and the transfer of any Resale End Users to SBC-7STATE local service in connection with such disconnection.
- 9.7.4 Within five (5) calendar days following the transfer, SBC-7STATE will notify each transferred Resale End User that because of CLEC's failure to pay SBC-7STATE, the End User's local service is now being provided by SBC-7STATE. This notice will also advise each transferred Resale End User that the End User has thirty (30) calendar days from the date of transfer to select a new Local Service Provider.
- 9.7.4.1 Notwithstanding any inconsistent provisions in this Agreement, notice of transfer to Missouri Resale End Users will comply with Missouri Public Service Commission Rule 4 CSR 240-32.120.
- 9.7.4.1.1 Notwithstanding any inconsistent provisions in this Agreement, notice of transfer to Kansas Resale End Users will comply with Kansas Corporation Commission Order No. 5 (dated March 25, 2002) in Docket 01-GIMT-649-GIT.
- 9.7.5 The transferred Resale End User shall be responsible for any and all charges incurred during the selection period other than those billed to CLEC under Section 9.7.3.3.
- 9.7.6 If any Resale End User transferred to SBC-7STATE's local service under Section 9.7.3 of this Agreement fails to select a new Local Service Provider within thirty (30) calendar days of the transfer, SBC-7STATE may terminate the transferred Resale End User's service.
- 9.7.6.1 SBC-7STATE will notify the Commission of the names of all transferred Resale End Users whose local service was terminated pursuant to Section 9.7.5.
- 9.7.6.2 Nothing in this Agreement shall be interpreted to obligate SBC-7STATE to continue to provide local service to any transferred Resale End User beyond the thirty (30) calendar day selection period. Nothing herein shall be interpreted to limit any and all disconnection rights SBC-7STATE has with regard to such transferred Resale End Users under Applicable Law; provided, however,
- 9.7.6.2.1 in SBC CALIFORNIA only, following expiration of the selection period and disconnection of such transferred Resale End Users, where facilities permit, SBC CALIFORNIA will furnish transferred and subsequently disconnected local residential End Users with "quick dial tone."
- 9.8 SBC CONNECTICUT only
- 9.8.1 For nonpayment and procedures for disconnection for SBC CONNECTICUT, see the applicable DPUC ordered tariff.
- 9.9 **Limitation on Back-billing and Credit Claims:**
- 9.9.1 Notwithstanding anything to the contrary in this Agreement, a Party shall be entitled to
- 9.9.1.1 Back-bill for or claim credit for any charges for services provided pursuant to this Agreement that are found to be unbilled, under-billed or over-billed, but only when such charges appeared or should have appeared on a bill dated within the twelve (12) months immediately preceding the date on which the Billing Party provided written notice to the Billed Party of the amount of the back-billing or the Billed Party provided written notice to the Billing Party of the claimed credit amount. The Parties agree that the twelve (12) month limitation on back-billing and credit claims set forth in the preceding sentence shall be applied prospectively only after the Effective Date of this Agreement, meaning

that the twelve month period for any back-billing or credit claims may only include billing periods that fall entirely after the Effective Date of this Agreement and will not include any portion of any billing period that began prior to the Effective Date of this Agreement.

- 9.9.1.2 Back-billing and credit claims, as limited above, will apply to all Interconnection, Resale Services, Unbundled Network Elements, Collocation, facilities, functions, product and services purchased under this Agreement. Reciprocal Compensation is specifically excluded from this Section and is addressed separately in the Reciprocal Compensation Attachment.

## 10. DISPUTE RESOLUTION

### 10.1 Finality of Disputes

10.1.1 Except as otherwise specifically provided for in this Agreement, no claim may be brought for any dispute arising from this Agreement more than twenty-four (24) months from the date the occurrence which gives rise to the dispute is discovered or reasonably should have been discovered with the exercise of due care and attention.

10.1.2 Notwithstanding anything contained in this Agreement to the contrary, a Party shall be entitled to dispute only those charges which appeared on a bill dated within the twelve (12) months immediately preceding the date on which the Billing Party received notice of such Disputed Amounts.

### 10.2 Alternative to Litigation

10.2.1 The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, the Parties agree to use the following Dispute Resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

### 10.3 Commencing Dispute Resolution

10.3.1 Dispute Resolution shall commence upon one Party's receipt of written notice of a controversy or claim arising out of or relating to this Agreement or its breach. No Party may pursue any claim unless such written notice has first been given to the other Party. There are three (3) separate Dispute Resolution methods:

10.3.1.1 Service Center (**SBC MIDWEST REGION 5-STATE**), LSC (**SBC-7STATE**) or LEC-C (**SBC CONNECTICUT**);

10.3.1.2 Informal Dispute Resolution; and

10.3.1.3 Formal Dispute Resolution, each of which is described below.

10.4 LSC/Service Center/LEC-C Dispute Resolution - the following Dispute Resolution procedures will apply with respect to any billing dispute arising out of or relating to the Agreement. Written notice sent to **SBC-13STATE** for Disputed Amounts must be made on the "13 Billing Claims Dispute Form".

10.4.1 If the written notice given pursuant to Section 10.3 discloses that a CLEC dispute relates to billing, then the procedures set forth in this Section 10.4 shall be used and the dispute shall first be referred to the appropriate service center **SBC MIDWEST REGION 5-STATE** Service Center; **SBC-7STATE** Local Service Center (LSC); **SBC CONNECTICUT** Local Exchange Carrier Center (LEC-C) for resolution. In order to resolve a billing dispute, CLEC shall furnish **SBC-13STATE** written notice of (i) the date of the bill in question, (ii) CBA/ESBA/ASBS or BAN number of the bill in question, (iii) telephone number, circuit ID number or trunk number in question, (iv) any USOC information relating to the item questioned, (v) amount billed and (vi) amount in question and (vii) the reason that CLEC disputes the billed amount. To be deemed a "dispute" under this Section 10.4, CLEC must provide evidence that it has either paid the disputed amount or established an interest bearing escrow account that complies with the requirements set forth in Section 8.6 of this Agreement and deposited all Unpaid Charges

relating to Resale Services and Lawful Unbundled Network Elements into that escrow account. Failure to provide the information and evidence required by this Section 10.4.1 not later than twenty-nine (29) calendar days following the Bill Due Date shall constitute CLEC's irrevocable and full waiver of its right to dispute the subject charges.

10.4.2 The Parties shall attempt to resolve Disputed Amounts appearing on SBC-13STATE's current billing statements thirty (30) to sixty (60) calendar days from the Bill Due Date (provided the CLEC furnishes all requisite information and evidence under Section 10.4.1 by the Bill Due Date). If not resolved within thirty (30) calendar days, upon request, SBC-13STATE will notify CLEC of the status of the dispute and the expected resolution date.

10.4.3 The Parties shall attempt to resolve Disputed Amounts appearing on statements prior to the current billing statement within thirty (30) to ninety (90) calendar days, but resolution may take longer depending on the complexity of the dispute. If not resolved within thirty (30) calendar days from the date notice of the Disputed Amounts was received (provided that CLEC furnishes all requisite information and evidence under Section 10.4.1), SBC-13STATE will notify CLEC of the status of the dispute and the expected resolution date.

10.4.4 Any notice of Disputed Amounts given by SBC-13STATE to CLEC pursuant to Section 10.3 shall furnish CLEC written notice of: (i) the date of the bill in question, (ii) the account number or other identification of the bill in question, (iii) any telephone number, circuit ID number or trunk number in question, (iv) any USOC (or other descriptive information) questioned, (v) the amount billed, (vi) the amount in question, and (vii) the reason that SBC-13STATE disputes the billed amount. The Parties shall attempt to resolve Disputed Amounts appearing on current billing statement(s) thirty (30) to sixty (60) calendar days from the Bill Due Date (provided SBC-13STATE furnishes all requisite information by the Bill Due Date) and Disputed Amounts appearing on statements prior to the current billing statement within thirty (30) to ninety (90) calendar days, but resolution may take longer depending on the complexity of the dispute. If not resolved within thirty (30) calendar days, CLEC will notify SBC-13STATE of the status of the dispute and the expected resolution date.

10.4.5 If the Non-Paying Party is not satisfied by the resolution of the billing dispute under this Section 10.4, the Non-Paying Party may notify the Billing Party in writing that it wishes to invoke the Informal Resolution of Disputes afforded pursuant to Section 10.5 of this Agreement.

#### 10.5 Informal Resolution of Disputes

10.5.1 Upon receipt by one Party of notice of a dispute by the other Party pursuant to Section 10.3 or Section 10.4.5, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative Dispute Resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit.

#### 10.6 Formal Dispute Resolution

10.6.1 If the Parties are unable to resolve the dispute through the informal procedure described in Section 10.5, then either Party may invoke the formal Dispute Resolution procedures described in this Section 10.6. Unless agreed among all Parties, formal Dispute Resolution procedures, including arbitration or other procedures as appropriate, may be invoked not earlier than sixty (60) calendar days after receipt of the letter initiating Dispute Resolution under Section 10.3.



**10.6.2 Claims Subject to Mandatory Arbitration.** The following claims, if not settled through informal Dispute Resolution, will be subject to mandatory arbitration pursuant to Section 10.7 below:

**10.6.2.1** Each unresolved billing dispute involving one percent (1%) or less of the amounts charged to the Disputing Party under this Agreement in the state in which the dispute arises during the twelve (12) months immediately preceding receipt of the letter initiating Dispute Resolution under Section 10.3. If the disputing Party has not been billed for a minimum of twelve (12) months immediately preceding receipt of the letter initiating Dispute Resolution under Section 10.3, the Parties will annualize the actual number of months billed.

**10.6.3 Claims Subject to Elective Arbitration.** Claims will be subject to elective arbitration pursuant to Section 10.7 if, and only if, the claim is not settled through informal Dispute Resolution and both Parties agree to arbitration. If both Parties do not agree to arbitration, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanism.

**10.6.4 Claims Not Subject to Arbitration.** If the following claims are not resolved through informal Dispute Resolution, they will not be subject to arbitration and must be resolved through any remedy available to a Party pursuant to law, equity or agency mechanism.

**10.6.4.1** Actions seeking a temporary restraining order or an injunction related to the purposes of this Agreement.

**10.6.4.2** Actions to compel compliance with the Dispute Resolution process.

**10.6.4.3** All claims arising under federal or state statute(s), including antitrust claims.

## **10.7 Arbitration**

**10.7.1** Disputes subject to mandatory or elective arbitration under the provisions of this Agreement 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. The arbitrator shall be knowledgeable of telecommunications issues. Each arbitration will be held in **Dallas, Texas (SBC SOUTHWEST REGION 5-STATE); Chicago, Illinois (SBC MIDWEST REGION 5-STATE); San Francisco, California (SBC CALIFORNIA); Reno, Nevada (SBC NEVADA); or New Haven, Connecticut (SBC CONNECTICUT)**, as appropriate, 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 Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all disputes. Notwithstanding any rule of the AAA Commercial Arbitration Rules to the contrary, the Parties agree that the arbitrator will have no authority to award punitive damages, exemplary damages, Consequential Damages, multiple damages, or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. 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, including attorneys' fees. The Parties will equally split the fees of the arbitration and the arbitrator. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

## **11. AUDITS – Applicable in SBC-12STATE only**

**11.1** Subject to the restrictions set forth in Section 20 and except as may be otherwise expressly provided in this Agreement, a Party (the "**Auditing Party**") may audit the other Party's (the "**Audited Party**")

books, records, data and other documents, as provided herein, once annually, with the audit period commencing not earlier than the date on which services were first supplied under this Agreement ("**service start date**") for the purpose of evaluating (i) the accuracy of Audited Party's billing and invoicing of the services provided hereunder and (ii) verification of compliance with any provision of this Agreement that affects the accuracy of Auditing Party's billing and invoicing of the services provided to Audited Party hereunder. Notwithstanding the foregoing, an Auditing Party may audit the Audited Party's books, records and documents more than once annually if the previous audit found (i) previously uncorrected net variances or errors in invoices in Audited Party's favor with an aggregate value of at least five percent (5%) of the amounts payable by Auditing Party for audited services provided during the period covered by the audit or (ii) non-compliance by Audited Party with any provision of this Agreement affecting Auditing Party's billing and invoicing of the services provided to Audited Party with an aggregate value of at least five percent (5%) of the amounts payable by Audited Party for audited services provided during the period covered by the audit.

- 11.1.1 The scope of the audit shall be limited to the period which is the shorter of (i) the period subsequent to the last day of the period covered by the audit which was last performed (or if no audit has been performed, the service start date and (ii) the twelve (12) month period immediately preceding the date the Audited Party received notice of such requested audit, but in any event not prior to the service start date. Such audit shall begin no fewer than thirty (30) calendar days after Audited Party receives a written notice requesting an audit and shall be completed no later than thirty (30) calendar days after the start of such audit.
- 11.1.2 Such audit shall be conducted either by the Auditing Party's employee(s) or an independent auditor acceptable to both Parties; provided, however, if the Audited Party requests that an independent auditor be engaged and the Auditing Party agrees, the Audited Party shall pay one-quarter (1/4) of the independent auditor's fees and expenses. If an independent auditor is to be engaged, the Parties shall select an auditor by the thirtieth day following Audited Party's receipt of a written audit notice. Auditing Party shall cause the independent auditor to execute a nondisclosure agreement in a form agreed upon by the Parties.
- 11.1.3 Each audit shall be conducted on the premises of the Audited Party during normal business hours. Audited Party shall cooperate fully in any such audit and shall provide the auditor reasonable access to any and all appropriate Audited Party employees and any books, records and other documents reasonably necessary to assess (i) the accuracy of Audited Party's bills and (ii) Audited Party's compliance with the provisions of this Agreement that affect the accuracy of Auditing Party's billing and invoicing of the services provided to Audited Party hereunder. Audited Party may redact from the books, records and other documents provided to the auditor any Audited Party information that reveals the identity of End Users of Audited Party.
- 11.1.4 Each Party shall maintain reports, records and data relevant to the billing of any services that are the subject matter of this Agreement for a period of not less than twenty-four (24) months after creation thereof, unless a longer period is required by Applicable Law.
- 11.1.5 If any audit confirms any undercharge or overcharge, then Audited Party shall (i) promptly correct any billing error, including making refund of any overpayment by Auditing Party in the form of a credit on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results and (ii) for any undercharge caused by the actions of the Audited Party, immediately compensate Auditing Party for such undercharge, and (iii) in each case, calculate and pay interest as provided in Section 8.1 (depending on the SBC-owned ILEC(s) involved), for the number of calendar days from the date on which such undercharge or overcharge originated until the date on which such credit is issued or payment is made and available.
- 11.1.6 Except as may be otherwise provided in this Agreement, audits shall be performed at Auditing Party's expense, subject to reimbursement by Audited Party of one-quarter (1/4) of any independent auditor's fees and expenses in the event that an audit finds, and the Parties subsequently verify, a net adjustment in the charges paid or payable by Auditing Party hereunder

by an amount that is, on an annualized basis, greater than five percent (5%) of the aggregate charges for the audited services during the period covered by the audit.

11.1.7 Any disputes concerning audit results shall be referred to the Parties' respective personnel responsible for informal resolution. If these individuals cannot resolve the dispute within thirty (30) calendar days of the referral, either Party may request in writing that an additional audit shall be conducted by an independent auditor acceptable to both Parties, subject to the requirements set out in Section 11.1. Any additional audit shall be at the requesting Party's expense.

11.2 Audits - SBC CONNECTICUT only

11.2.1 Except as provided in Appendix Compensation, SBC CONNECTICUT shall arrange for one (1) annual independent audit to be conducted by a "Big Six" independent public accounting firm or an accounting firm mutually agreed to by SBC CONNECTICUT, CLEC and all other CLECs doing business with SBC CONNECTICUT under the terms of an agreement adopted pursuant to Sections 251 and 252 of the Act for the purpose of evaluating the accuracy of SBC CONNECTICUT's billing and invoicing.

11.2.2 SBC CONNECTICUT will cooperate fully with the independent auditor in such audit and provide reasonable access to any and all appropriate SBC CONNECTICUT employees, books, records and other documents reasonably necessary to perform the audit.

11.2.3 SBC CONNECTICUT shall promptly correct any billing error that is revealed in the audit, including making refund of any overpayment to CLEC in the form of a credit on the invoice for the first full billing cycle after the audit report is issued; such refund shall include interest on the overpayment at the rate of eight percent (8%) per year. In the event that the audit reveals any underbilling and resulting underpayment to SBC CONNECTICUT by CLEC, the underpayment shall be reflected in CLEC's invoice for the first full billing cycle after the audit report is issued. SBC CONNECTICUT will not be entitled to recover interest on any underbilling to CLEC revealed by the audit for the time preceding the amount appearing on CLEC's bill from SBC CONNECTICUT, however, SBC CONNECTICUT shall be entitled to recover interest at the interest rate referenced in Section 8.1.5.1 on such underbilling and CLEC shall pay interest for the number of calendar days from the Bill Due Date of the bill on which such underbilling was rectified until the date on which payment is made and available to SBC CONNECTICUT.

12. DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

12.1 EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE INTERCONNECTION, RESALE SERVICES, LAWFUL UNBUNDLED NETWORK ELEMENTS, FUNCTIONS, FACILITIES, PRODUCTS AND SERVICES IT PROVIDES UNDER OR IS CONTEMPLATED TO PROVIDE UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, NO PARTY TO THIS AGREEMENT ASSUMES RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY ANY OTHER PARTY TO THIS AGREEMENT WHEN SUCH DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

13. LIMITATION OF LIABILITY

13.1 Except for indemnity obligations expressly set forth herein or as otherwise expressly provided in specific appendices, each Party's liability to the other Party for any Loss relating to or arising out of such Party's performance under this Agreement, including any negligent act or omission (whether willful or inadvertent), whether in contract, tort or otherwise, including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement also constitute a violation of a statute, including the Act, shall not exceed in total the amount SBC-13STATE or CLEC has charged or would have charged to the other Party for the affected Interconnection, Resale

Services, Lawful Unbundled Network Elements, functions, facilities, products and service(s) that were not performed or were improperly performed.

- 13.2 Except as otherwise expressly provided in specific appendices, in the case of any Loss alleged or claimed by a Third Party to have arisen out of the negligence or willful misconduct of any Party, each Party shall bear, and its obligation shall be limited to, that portion (as mutually agreed to by the Parties or as otherwise established) of the resulting expense caused by its own negligence or willful misconduct or that of its agents, servants, contractors, or others acting in aid or concert with it.
- 13.3 A Party may, in its sole discretion, provide in its tariffs and contracts with its End Users or Third Parties that relate to any Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services provided or contemplated under this Agreement that, to the maximum extent permitted by Applicable Law, such Party shall not be liable to such End User or Third Party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged the End User or Third Party for the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services that gave rise to such Loss and (ii) any Consequential Damages. If a Party elects not to place in its tariffs or contracts such limitation(s) of liability, and the other Party incurs a Loss as a result thereof, the first Party shall indemnify and reimburse the other Party for that portion of the Loss that would have been limited had the first Party included in its tariffs and contracts the limitation(s) of liability described in this Section 13.3.
- 13.4 Neither CLEC nor SBC-13STATE shall be liable to the other Party for any Consequential Damages suffered by the other Party, regardless of the form of action, whether in contract, warranty, strict liability, tort or otherwise, including negligence of any kind, whether active or passive (and including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement constitutes a violation of the Act or other statute), and regardless of whether the Parties knew or had been advised of the possibility that such damages could result in connection with or arising from anything said, omitted, or done hereunder or related hereto, including willful acts or omissions; provided that the foregoing shall not limit a Party's obligation under Section 14 to indemnify, defend, and hold the other Party harmless against any amounts payable to a Third Party, including any Losses, and Consequential Damages of such Third Party; provided, however, that nothing in this Section 13.4 shall impose indemnity obligations on a Party for any Loss or Consequential Damages suffered by that Party's End User in connection with any affected Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services. Except as provided in the prior sentence, each Party ("**Indemnifying Party**") hereby releases and holds harmless the other Party ("**Indemnitee**") (and Indemnitee's Affiliates, and its respective officers, directors, employees and agents) against any Loss or Claim made by the Indemnifying Party's End User.
- 13.5 SBC-13STATE shall not be liable for damages to an End User's premises resulting from the furnishing of any Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services, including, if applicable, the installation and removal of equipment and associated wiring, unless the damage is caused by SBC-13STATE's gross negligence or willful misconduct. SBC-13STATE does not guarantee or make any warranty with respect to Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services when used in an explosive atmosphere.
- 13.6 CLEC hereby releases SBC-13STATE from any and all liability for damages due to errors or omissions in CLEC's End User listing information as provided by CLEC to SBC-13STATE under this Agreement, including any errors or omissions occurring in CLEC's End User listing information as it appears in the White Pages directory, including, but not limited to, special, indirect, Consequential, punitive or incidental damages.
- 13.7 SBC-13STATE shall not be liable to CLEC, its End User or any other Person for any Loss alleged to arise out of the provision of access to 911 service or any errors, interruptions, defects, failures or malfunctions of 911 service.

- 13.8 This Section 13 is not intended to exempt any Party from all liability under this Agreement, but only to set forth the scope of liability agreed to and the type of damages that are recoverable. Both Parties acknowledge that they negotiated regarding alternate limitation of liability provisions but that such provisions would have altered the cost, and thus the price, of providing the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services available hereunder, and no different pricing reflecting different costs and different limits of liability was agreed to.

#### 14. INDEMNITY

- 14.1 Except as otherwise expressly provided herein or in specific appendices, each Party shall be responsible only for the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services which are provided by that Party, its authorized agents, subcontractors, or others retained by such Parties, and neither Party shall bear any responsibility for the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services provided by the other Party, its agents, subcontractors, or others retained by such Parties.
- 14.2 Except as otherwise expressly provided herein or in specific appendices, and to the extent not prohibited by Applicable Law and not otherwise controlled by tariff, each Party (the "**Indemnifying Party**") shall release, defend and indemnify the other Party (the "**Indemnified Party**") and hold such Indemnified Party harmless against any Loss to a Third Party arising out of the negligence or willful misconduct ("**Fault**") of such Indemnifying Party, its agents, its End Users, contractors, or others retained by such Parties, in connection with the Indemnifying Party's provision of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services under this Agreement; provided, however, that (i) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (ii) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (iii) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract.
- 14.3 In the case of any Loss alleged or claimed by a End User of either Party, the Party whose End User alleged or claimed such Loss (the "**Indemnifying Party**") shall defend and indemnify the other Party (the "**Indemnified Party**") against any and all such Claims or Losses by its End User regardless of whether the underlying Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service giving rise to such Claim or Loss was provided or provisioned by the Indemnified Party, unless the Claim or Loss was caused by the gross negligence or willful misconduct of the Indemnified Party.
- 14.4 A Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party ("**Indemnified Party**") against any Claim or Loss arising from the Indemnifying Party's use of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services provided under this Agreement involving:
- 14.4.1 Any Claim or Loss arising from such Indemnifying Party's use of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services offered under this Agreement, involving any Claim for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's or its End User's use.
- 14.4.1.1 The foregoing includes any Claims or Losses arising from disclosure of any End User-specific information associated with either the originating or terminating numbers used to provision Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services provided hereunder and all other Claims arising out of any act or omission of the End User in the course of using any Interconnection,

Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services provided pursuant to this Agreement.

14.4.1.2 The foregoing includes any Losses arising from Claims for actual or alleged infringement of any Intellectual Property right of a Third Party to the extent that such Loss arises from an Indemnifying Party's or an Indemnifying Party's End User's use of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services provided under this Agreement; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply:

14.4.1.2.1 where an Indemnified Party or its End User modifies Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products or services; provided under this Agreement; and

14.4.1.2.2 no infringement would have occurred without such modification.

14.4.2 Any and all penalties imposed on either Party because of the Indemnifying Party's failure to comply with the Communications Assistance to Law Enforcement Act of 1994 (CALEA); provided that the Indemnifying Party shall also, at its sole cost and expense, pay any amounts necessary to modify or replace any equipment, facilities or services provided to the Indemnified Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

14.5 CLEC acknowledges that its right under this Agreement to Interconnect with SBC-13STATE's network and to unbundle and/or combine SBC-13STATE's Lawful Unbundled Network Elements (including combining with CLEC's Network Elements) 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.

14.5.1 The Parties acknowledge that on April 27, 2000, the FCC released its Memorandum Opinion and Order in CC Docket No. 96-98 (File No. CCBPol. 97-4), In the Matter of Petition of MCI for Declaratory *Ruling*. The Parties further acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decision and any remand thereof, including its right to seek legal review or a stay pending appeal of such decision.

14.5.1.1 SBC-13STATE agrees to use its best efforts to obtain for CLEC, under commercially reasonable terms, Intellectual Property rights to each Lawful UNE necessary for CLEC to use such Lawful UNE in the same manner as SBC-13STATE.

14.5.1.2 SBC-13STATE shall have no obligation to attempt to obtain for CLEC any Intellectual Property right(s) that would permit CLEC to use any Lawful UNE in a different manner than used by SBC-13STATE.

14.5.1.3 To the extent not prohibited by a contract with the vendor of the network element sought by CLEC that contains Intellectual Property licenses, SBC-13STATE shall reveal to CLEC the name of the vendor, the Intellectual Property rights licensed to SBC-13STATE under the vendor contract and the terms of the contract (excluding cost terms). SBC-13STATE shall, at CLEC's request, contact the vendor to attempt to obtain permission to reveal additional contract details to CLEC.

14.5.1.4 All costs associated with the extension of Intellectual Property rights to CLEC pursuant to Section 14.5.1.1, including the cost of the license extension itself and the costs associated with the effort to obtain the license, shall be a part of the cost of providing the Lawful UNE to which the Intellectual Property rights relate and apportioned to all requesting carriers using that Lawful UNE including SBC-13STATE.

- 14.5.2 SBC-13STATE hereby conveys no licenses to use such Intellectual Property rights and makes no warranties, express or implied, concerning CLEC's (or any Third Parties') rights with respect to such Intellectual Property rights and contract rights, including whether such rights will be violated by such Interconnection or unbundling and/or combining of Lawful Unbundled Network Elements (including combining with CLEC's Network Elements) in SBC-13STATE's network or CLEC's use of other functions, facilities, products or services furnished under this Agreement. Any licenses or warranties for Intellectual Property rights associated with Lawful UNEs are vendor licenses and warranties and are a part of the Intellectual Property rights SBC-13STATE agrees in Section 14.5.1.1 to use its best efforts to obtain.
- 14.5.3 SBC-13STATE does not and shall not indemnify, defend or hold CLEC harmless, nor be responsible for indemnifying or defending, or holding CLEC harmless, for any Claims or Losses for actual or alleged infringement of any Intellectual Property right or interference with or violation of any contract right that arises out of, is caused by, or relates to CLEC's Interconnection with SBC-13STATE's network and unbundling and/or combining SBC-13STATE's Lawful Unbundled Network Elements (including combining with CLEC's Network Elements) or CLEC's use of other functions, facilities, products or services furnished under this Agreement. Any indemnities for Intellectual Property rights associated with Lawful UNEs shall be vendor's indemnities and are a part of the Intellectual Property rights SBC-13STATE agrees in Section 14.5.1.1 to use its best efforts to obtain.
- 14.6 CLEC shall reimburse SBC-13STATE for damages to SBC-13STATE's facilities utilized to provide Interconnection or Lawful UNEs hereunder caused by the negligence or willful act of CLEC, its agents or subcontractors or CLEC's End User or resulting from CLEC's improper use of SBC-13STATE's facilities, or due to malfunction of any facilities, functions, products, services or equipment provided by any person or entity other than SBC-13STATE. Upon reimbursement for damages, SBC-13STATE 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-13STATE for the damages to the extent of such payment.
- 14.7 Notwithstanding any other provision in this Agreement, each Party agrees that should it cause any non-standard digital subscriber line ("xDSL") technologies (as that term is defined in the applicable Appendix DSL and/or the applicable commission-ordered tariff, as appropriate) to be deployed or used in connection with or on SBC-13STATE facilities, that Party ("**Indemnifying Party**") will pay all costs associated with any damage, service interruption or other Telecommunications Service degradation, or damage to the other Party's ("**Indemnitee's**") facilities.
- 14.8 Indemnification Procedures
- 14.8.1 Whenever a claim shall arise for indemnification under this Section 14, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request in writing the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.
- 14.8.2 The Indemnifying Party shall have the right to defend against such liability or assertion, in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such claim and the identity of counsel selected by the Indemnifying Party.
- 14.8.3 Until such time as Indemnifying Party provides written notice of acceptance of the defense of such claim, the Indemnified Party shall defend such claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such claim.
- 14.8.4 Upon accepting the defense, the Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such claims, subject to consultation with the Indemnified Party. So long as the Indemnifying Party is controlling and conducting the defense,

the Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

- 14.8.5 At any time, an Indemnified Party shall have the right to refuse a compromise or settlement, and, at such refusing Party's cost, to take over such defense; provided that, in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the refusing Party against, any cost or liability in excess of such refused compromise or settlement.
- 14.8.6 With respect to any defense accepted by the Indemnifying Party, the Indemnified Party will be entitled to participate with the Indemnifying Party in such defense if the claim requests equitable relief or other relief that could affect the rights of the Indemnified Party, and shall also be entitled to employ separate counsel for such defense at such Indemnified Party's expense.
- 14.8.7 If the Indemnifying Party does not accept the defense of any indemnified claim as provided above, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party.
- 14.8.8 In the event of a failure to assume the defense, the Indemnified Party may negotiate a settlement, which shall be presented to the Indemnifying Party. If the Indemnifying Party refuses to agree to the presented settlement, the Indemnifying Party may take over the defense. If the Indemnifying Party refuses to agree to the presented settlement and refuses to take over the defense, the Indemnifying Party shall be liable for any reasonable cash settlement not involving any admission of liability by the Indemnifying Party, though such settlement may have been made by the Indemnified Party without approval of the Indemnifying Party, it being the Parties' intent that no settlement involving a non-monetary concession by the Indemnifying Party, including an admission of liability by such Party, shall take effect without the written approval of the Indemnifying Party.
- 14.8.9 Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in Section 20.

## 15. PERFORMANCE MEASURES

- 15.1 Attachment Performance Measures provides monetary payments for failure to meet specified performance standards. The provisions of that Attachment constitute the sole obligation of SBC-13STATE to pay damages or financial penalties for failure to meet specified performance standards identified in such Attachment and all other Attachments to this Agreement.

## 16. INTELLECTUAL PROPERTY

- 16.1 Any Intellectual Property originating from or developed by a Party shall remain in the exclusive ownership of that Party.

## 17. NOTICES

- 17.1 Subject to Section 17.2, notices given by one Party to the other Party under this Agreement shall be in writing (unless specifically provided otherwise herein), and unless otherwise expressly required by this Agreement to be delivered to another representative or point of contact, shall be
- 17.1.1 delivered personally;
- 17.1.2 delivered by express overnight delivery service;
- 17.1.3 mailed, via certified mail or first class U.S. Postal Service, with postage prepaid, and a return receipt requested; or



17.1.4 delivered by facsimile; provided that a paper copy is also sent by a method described in sections 17.1.1, 17.1.2, or 17.1.3.

17.1.5 Notices will be deemed given as of the earliest of:

17.1.5.1 the date of actual receipt,

17.1.5.2 the next Business Day when sent via express overnight delivery service,

17.1.5.3 five (5) calendar days after mailing in the case of first class or certified U.S. Postal Service, or

17.1.5.4 on the date set forth on the confirmation produced by the sending facsimile machine when delivered by facsimile prior to 5:00 p.m. in the recipient's time zone, but the next Business Day when delivered by facsimile at 5:00 p.m. or later in the recipient's time zone.

17.1.6 Notices will be addressed to the Parties as follows:

NOTICE CONTACT	CLEC CONTACT	SBC-13STATE CONTACT
NAME/TITLE	John Barnicle /President	Contract Management ATTN: Notices Manager
STREET ADDRESS	1 S. Wacker Drive, Suite 200	311 S. Akard, 9 <sup>th</sup> Floor Four SBC Plaza
CITY, STATE, ZIP CODE	Chicago, IL 60606	Dallas, TX 75202-5398
FACSIMILE NUMBER	312-346-3276	214-464-2006

17.1.7 Either Party may unilaterally change its designated contact, address, telephone number and/or facsimile number for the receipt of notices by giving written notice to the other Party in compliance with this Section. Any notice to change the designated contact, address, telephone and/or facsimile number for the receipt of notices shall be deemed effective ten (10) calendar days following receipt by the other Party.

17.2 **SBC-13STATE** communicates official information to CLECs via its Accessible Letter notification process. This process covers a variety of subjects, including updates on products/services promotions; deployment of new products/services; modifications and price changes to existing products/services; cancellation or retirement of existing products/services; and operational issues. Changes to this process will be developed through the CLEC User Forum process and will be implemented only with the concurrence of the CLEC User Forum Global Issues group.

17.3 In the **SBC-13STATE's** Accessible Letter notification will be via electronic mail ("e-mail") distribution. Accessible Letter notification via e-mail will be deemed given as of the date set forth on the e-mail message.

17.4 In **SBC-13STATE** CLEC may designate up to a maximum of ten (10) recipients for Accessible Letter notification via e-mail.

17.5 **SBC SOUTHWEST REGION 5-STATE only:**

17.5.1 **SBC SOUTHWEST REGION 5-STATE** shall provide a toll free facsimile number to CLEC for the submission of requests for Resale Services and Lawful Unbundled Network Elements under this Agreement; CLEC shall provide **SBC SOUTHWEST REGION 5-STATE** with a toll free facsimile number for notices from **SBC SOUTHWEST REGION 5-STATE** relating to requests for Resale Services and Lawful Unbundled Network Elements under this Agreement.

## 18. PUBLICITY AND USE OF TRADEMARKS OR SERVICE MARKS

18.1 Neither Party nor its subcontractors or agents shall use in any advertising or sales promotion, press releases, or other publicity matters any endorsements, direct or indirect quotes, or pictures that imply endorsement by the other Party or any of its employees without such first Party's prior written approval.

The Parties will submit to each other for written approval, prior to publication, all publicity matters that mention or display one another's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied; the Party to whom a request is directed shall respond promptly. Nothing herein, however, shall be construed as preventing either Party from publicly stating the fact that it has executed this Agreement with the other Party.

- 18.2 Nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, logos, proprietary trade dress or trade names of the other Party in any advertising, press releases, publicity matters, marketing and/or promotional materials or for any other commercial purpose without prior written approval from such other Party.

## 19. NO LICENSE

- 19.1 Except at otherwise expressly provided in this Agreement, no license under patents, copyrights or any other Intellectual Property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

## 20. CONFIDENTIALITY

- 20.1 Both Parties agree to treat Proprietary Information received from the other in accordance with the provisions of Section 222 of the Act.
- 20.2 Unless otherwise agreed, the obligations of confidentiality and non-use do not apply to such Proprietary Information that:
- 20.2.1 Was at the time of receipt, already known to the Receiving Party, free of any obligation to keep confidential and evidenced by written records prepared prior to delivery by the Disclosing Party; or
- 20.2.2 Is, or becomes publicly known through no wrongful act of the Receiving Party; or
- 20.2.3 Is rightfully received from a Third Party having no direct or indirect secrecy or confidentiality obligation to the Disclosing Party with respect to such information; provided that such Receiving Party has exercised commercially reasonable efforts to determine whether such Third Party has any such obligation; or
- 20.2.4 Is independently developed by an agent, employee representative or Affiliate of the Receiving Party and such Party is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or
- 20.2.5 Is disclosed to a Third Party by the Disclosing Party without similar restrictions on such Third Party's rights; or
- 20.2.6 Is approved for release by written authorization of the Disclosing Party, but only to the extent of the authorization granted; or
- 20.2.7 Is required to be made public or disclosed by the Receiving Party pursuant to Applicable Law or regulation or court order or lawful process.

## 21. INTERVENING LAW

- 21.1 This Agreement is the result of negotiations between the Parties and may incorporate certain provisions that resulted from arbitration by the appropriate state Commission(s). In entering into this Agreement and any Amendments to such Agreement and carrying out the provisions herein, neither Party waives, but instead expressly reserves, all of its rights, remedies and arguments with respect to any orders, decisions, legislation or proceedings and any remands thereof and any other federal or state regulatory, legislative or judicial action(s), including, without limitation, its intervening law rights relating to the following actions, which the Parties have not yet fully incorporated into this Agreement or which may be the subject of further government review: *Verizon v. FCC, et. al*, 535 U.S. 467 (2002); *USTA, et. al v.*

FCC, 290 F.3d 415 (D.C. Cir. 2002) and following remand and appeal, *USTA v. FCC*, 359 F.3d 554 (D.C. Cir. 2004); the FCC's Triennial Review Order, CC Docket Nos. 01-338, 96-98 and 98-147 (FCC 03-36) including, without limitation, the FCC's MDU Reconsideration Order (FCC 04-191) (rel. Aug. 9, 2004) and the FCC's Order on Reconsideration (FCC 04-248) (rel. Oct. 18, 2004), and the FCC's Biennial Review Proceeding; the FCC's Order on Remand (FCC 04-290), WC Docket No. 04-312 and CC Docket No. 01-338 (rel. Feb. 4, 2005) ("TRO Remand Order"); the FCC's Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; and the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and as to the FCC's Notice of Proposed Rulemaking as to Intercarrier Compensation, CC Docket 01-92 (Order No. 01-132) (rel. April 27, 2001) (collectively "Government Actions"). Notwithstanding anything to the contrary in this Agreement (including any amendments to this Agreement), SBC-13STATE shall have no obligation to provide UNEs, combinations of UNEs, combinations of UNE(s) and CLEC's own elements or UNEs in commingled arrangements beyond those required by the Act, including the lawful and effective FCC rules and associated FCC and judicial orders. Except to the extent that SBC-13STATE has adopted the FCC ISP terminating compensation plan ("FCC Plan") in an SBC-13STATE state in which this Agreement is effective, and the Parties have incorporated rates, terms and conditions associated with the FCC Plan into this Agreement, these rights also include but are not limited to SBC-13STATE's right to exercise its option at any time to adopt on a date specified by SBC-13STATE the FCC Plan, after which date ISP-bound traffic will be subject to the FCC Plan's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this Agreement. If any action by any state or federal regulatory or legislative body or court of competent jurisdiction invalidates, modifies, or stays the enforcement of laws or regulations that were the basis or rationale for any rate(s), term(s) and/or condition(s) ("Provisions") of the Agreement and/or otherwise affects the rights or obligations of either Party that are addressed by this Agreement, specifically including but not limited to those arising with respect to the Government Actions, the affected Provision(s) shall be immediately invalidated, modified or stayed consistent with the action of the regulatory or legislative body or court of competent jurisdiction upon the written request of either Party ("Written Notice"). With respect to any Written Notices hereunder, the Parties shall have sixty (60) days from the Written Notice to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications to the Agreement. If the Parties are unable to agree upon the conforming modifications required within sixty (60) days from the Written Notice, any disputes between the Parties concerning the interpretation of the actions required or the provisions affected by such order shall be resolved pursuant to the dispute resolution process provided for in this Agreement.

## 22. GOVERNING LAW

22.1 Unless otherwise provided by Applicable Law, this Agreement shall be governed by and construed in accordance with the Act, the FCC Rules and Regulations interpreting the Act and other applicable federal law. To the extent that federal law would apply state law in interpreting this Agreement, the domestic laws of the state in which the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services at issue are furnished or sought shall apply, without regard to that state's conflict of laws principles. The Parties submit to personal jurisdiction in Little Rock, Arkansas; San Francisco, California; New Haven, Connecticut; Chicago, Illinois; Indianapolis, Indiana; Topeka, Kansas; Detroit, Michigan; St. Louis, Missouri; Reno, Nevada; Columbus, Ohio; Oklahoma City, Oklahoma, Dallas, Texas and Milwaukee, Wisconsin, and waive any and all objection to any such venue.

## 23. REGULATORY APPROVAL

23.1 The Parties understand and agree that this Agreement and any amendment or modification hereto will be filed with the Commission for approval in accordance with Section 252 of the Act and may thereafter be filed with the FCC. The Parties believe in good faith and agree that the services to be provided under this Agreement are in the public interest. Each Party covenants and agrees to fully support

approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification.

## 24. CHANGES IN END USER LOCAL EXCHANGE SERVICE PROVIDER SELECTION

### 24.1 Applies to SBC-12STATE only

24.1.1 Each Party will abide by applicable federal and state laws and regulations in obtaining End User authorization prior to changing an End User's Local Exchange Carrier to itself and in assuming responsibility for any applicable charges as specified in the FCC's rules regarding Subscriber Carrier Selection Changes (47 CFR 64.1100 through 64.1170) and any applicable state regulation. Each Party shall deliver to the other Party a representation of authorization that applies to all orders submitted by a Party under this Agreement requiring a LEC change. A Party's representation of authorization shall be delivered to the other Party prior to the first order submitted to the other Party. Each Party shall retain on file all applicable letters and other documentation of authorization relating to its End User's selection of such Party as its LEC, which documentation shall be available for inspection by the other Party at its request during normal business hours and at no charge.

24.1.2 Only an End User can initiate a challenge to a change in its LEC. If an End User notifies one Party that the End User requests local exchange service, and the other Party is such End User's LEC, then the Party receiving such request shall be free to immediately access such End User's CPNI subject to the requirements of the applicable Appendix OSS restricting access to CPNI in order to immediately provide service to such End User.

24.1.3 When an End User changes or withdraws authorization from its LEC, each Party shall release End User-specific facilities belonging to the ILEC in accordance with the End User's direction or that of the End User's authorized agent. Further, when an End User abandons its premise (that is, its place of business or domicile), SBC-12STATE is free to reclaim the Lawful UNE facilities for use by another End User and is free to issue service orders required to reclaim such facilities.

24.1.4 Neither Party shall be obligated by this Agreement to investigate any allegations of unauthorized changes in local exchange service (slamming) at the request of the other Party; provided, however, that each Party shall cooperate with any investigation of a complaint alleging an unauthorized change in local exchange service at the request of the FCC or the applicable state Commission.

### 24.2 Applies to SBC CONNECTICUT only

24.2.1 The Parties agree that CLEC will not submit a Local Exchange Carrier order for an End User to the Local Service Provider currently serving that End User without proper authorization from that End User, as required by the FCC in Subpart K, Part 64 rules and regulations and by the DPUC in its applicable rules and regulations. SBC CONNECTICUT's wholesale tariff, Section 18, further documents requirements for Local Exchange Carrier changes and required End User authorizations.

24.2.2 The Parties agree to the re-use of existing network facilities when an End User changes its provider of local exchange service and the network facilities are provided by the same network provider.

## 25. COMPLIANCE AND CERTIFICATION

25.1 Each Party shall comply at its own expense with all Applicable Laws that relate to that Party's obligations to the other Party under this Agreement. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of Applicable Law.

25.2 Each Party warrants that it has obtained all necessary state certification required in each state covered by this Agreement prior to ordering any Interconnection, Resale Services, Lawful Unbundled Network

Elements, functions, facilities, products and services from the other Party pursuant to this Agreement. Upon request, each Party shall provide proof of certification.

- 25.3 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, Governmental Authorities, building and property owners, other carriers, and any other Third Parties that may be required in connection with the performance of its obligations under this Agreement.
- 25.4 Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with the CALEA.

## 26. LAW ENFORCEMENT

- 26.1 SBC-12STATE and CLEC shall reasonably cooperate with the other Party in handling law enforcement requests as follows:

### 26.1.1 Intercept Devices:

26.1.1.1 Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with an End User of the other Party, it shall refer such request to the Party that serves such End User, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request.

### 26.1.2 Subpoenas:

26.1.2.1 If a Party receives a subpoena for information concerning an End User the Party knows to be an End User of the other Party, it shall refer the subpoena to the Requesting Party with an indication that the other Party is the responsible company, unless the subpoena requests records for a period of time during which the receiving Party was the End User's service provider, in which case that Party will respond to any valid request.

### 26.1.3 Emergencies:

26.1.3.1 If a Party receives a request from a law enforcement agency for a temporary number change, temporary disconnect, or one-way denial of outbound calls by the receiving Party's switch for an End User of the other Party, that Receiving Party will comply with a valid emergency request. However, neither Party shall be held liable for any claims or Losses arising from compliance with such requests on behalf of the other Party's End User and the Party serving such End User agrees to indemnify and hold the other Party harmless against any and all such claims or Losses.

- 26.2 SBC CONNECTICUT and CLEC shall reasonably cooperate with the other Party in handling law enforcement requests as follows:

26.2.1 Each of the Parties agree to comply with the applicable state and federal law enforcement authorities, laws, and requirements, including but not limited to, the Communications Assistance for Law Enforcement Act (CALEA) and to report to applicable State and Federal law enforcement authorities as required by law, the Telecommunications Services and related information provided by each of the Parties in Connecticut.

## 27. RELATIONSHIP OF THE PARTIES/INDEPENDENT CONTRACTOR

- 27.1 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 and each Party's contractor(s) shall be solely responsible for all matters relating to payment of such employees, including the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with

respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts and all other regulations governing such matters. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

- 27.2 Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

**28. NO THIRD PARTY BENEFICIARIES; DISCLAIMER OF AGENCY**

- 28.1 This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any Third Party beneficiary rights hereunder. This Agreement shall not provide any Person not a party hereto with any remedy, claim, liability, reimbursement, cause of action, or other right in excess of those existing without reference hereto.

**29. INTENTIONALLY LEFT BLANK**

**30. SUBCONTRACTING**

- 30.1 If either Party retains or engages any subcontractor to perform any of that Party's obligations under this Agreement, each Party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either Party performs through subcontractors.
- 30.2 Each Party will be solely responsible for payments due that Party's subcontractors.
- 30.3 No subcontractor will be deemed a Third Party beneficiary for any purposes under this Agreement.
- 30.4 No contract, subcontract or other agreement entered into by either Party with any Third Party in connection with the provision of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services hereunder will provide for any indemnity, guarantee or assumption of liability by the other Party to this Agreement with respect to such arrangement, except as consented to in writing by the other Party.
- 30.5 Any subcontractor that gains access to Customer Proprietary Network Information ("CPNI") or Proprietary Information covered by this Agreement shall be required by the subcontracting Party to protect such CPNI or Proprietary Information to the same extent the subcontracting Party is required to protect such CPNI or Proprietary Information under the terms of this Agreement.

**31. RESPONSIBILITY FOR ENVIRONMENTAL CONTAMINATION**

- 31.1 Each Party shall be solely responsible at its own expense for the proper handling, use, removal, excavation, storage, treatment, transport, disposal, or any other management by such Party or any person acting on its behalf of all Hazardous Substances and Environmental Hazards introduced to the affected work location and will perform such activities in accordance with Applicable Law.
- 31.2 Notwithstanding anything to the contrary in this Agreement and to the fullest extent permitted by Applicable Law, SBC-13STATE shall, at CLEC's request, indemnify, defend, and hold harmless CLEC, each of its officers, directors and employees from and against any losses, damages, costs, fines, penalties and expenses (including reasonable attorneys and consultant's fees) of every kind and nature to the extent they are incurred by any of those parties in connection with a claim, demand, suit, or

proceeding for damages, penalties, contribution, injunction, or any other kind of relief that is based upon, arises out of, is caused by, or results from: (i) the removal or disposal from the work location of a Hazardous Substance by SBC-13STATE or any person acting on behalf of SBC-13STATE, or the subsequent storage, processing, or other handling of such Hazardous Substances after they have been removed from the work location, (ii) the Release of a Hazardous Substance, regardless of its source, by SBC-13STATE or any person acting on behalf of SBC-13STATE, or (iii) the presence at the work location of an Environmental Hazard for which SBC-13STATE is responsible under Applicable Law or a Hazardous Substance introduced into the work location by SBC-13STATE or any person acting on behalf of SBC-13STATE.

- 31.3 Notwithstanding anything to the contrary in this Agreement and to the fullest extent permitted by Applicable Law, CLEC shall, at SBC-13STATE's request, indemnify, defend, and hold harmless SBC-13STATE, each of its officers, directors and employees from and against any losses, damages, costs, fines, penalties and expenses (including reasonable attorney's and consultant's fees) of every kind and nature to the extent they are incurred by any of those parties in connection with a claim, demand, suit, or proceeding for damages, penalties, contribution, injunction, or any other kind of relief that is based upon, arises out of, is caused by, or results from: (i) the removal or disposal of a Hazardous Substance from the work location by CLEC or any person acting on behalf of CLEC, or the subsequent storage, processing, or other handling of such Hazardous Substances after they have been removed from the work location, (ii) the Release of a Hazardous Substance, regardless of its source, by CLEC or any person acting on behalf of CLEC, or (iii) the presence at the work location of an Environmental Hazard for which CLEC is responsible under Applicable Law or a Hazardous Substance introduced into the work location by CLEC or any person acting on behalf of CLEC.
- 31.4 For the purposes of this agreement, "Hazardous Substances" means (i) any material or substance that is defined or classified as a hazardous substance, hazardous waste, hazardous material, hazardous chemical, pollutant, or contaminant under any federal, state, or local environmental statute, rule, regulation, ordinance or other Applicable Law dealing with the protection of human health or the environment, (ii) petroleum, oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel, and other petroleum hydrocarbons, or (iii) asbestos and asbestos containing material in any form, and (iv) any soil, groundwater, air, or other media contaminated with any of the materials or substances described above.
- 31.5 For the purposes of this agreement, "Environmental Hazard" means (i) the presence of petroleum vapors or other gases in hazardous concentrations in a manhole or other confined space, or conditions reasonably likely to give rise to such concentrations, (ii) asbestos containing materials, or (iii) any potential hazard that would not be obvious to an individual entering the work location or detectable using work practices standard in the industry.
- 31.6 For the purposes of this agreement, "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposal, or other movement into (i) the work location, or (ii) other environmental media, including but not limited to, the air, ground or surface water, or soil.

## 32. FORCE MAJEURE

- 32.1 No Party shall be responsible for delays or failures in performance of any part of this Agreement (other than an obligation to make money payments) resulting from acts or occurrences beyond the reasonable control of such Party, including acts of nature, acts of civil or military authority, any law, order, regulation, ordinance of any Governmental Authority, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, hurricanes, floods, work stoppages, equipment failures, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (individually or collectively, a "Force Majeure Event") or any Delaying Event caused by the other Party or any other circumstances beyond the Party's reasonable control. If a Force Majeure Event shall occur, the Party

affected shall give prompt notice to the other Party of such Force Majeure Event specifying the nature, date of inception and expected duration of such Force Majeure Event, whereupon such obligation or performance shall be suspended to the extent such Party is affected by such Force Majeure Event during the continuance thereof or be excused from such performance depending on the nature, severity and duration of such Force Majeure Event (and the other Party shall likewise be excused from performance of its obligations to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its reasonable efforts to avoid or remove the cause of nonperformance and the Parties shall give like notice and proceed to perform with dispatch once the causes are removed or cease.

### 33. TAXES

- 33.1 Each Party purchasing Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services under this Agreement shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, municipal fees, transfer, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") imposed on, or with respect to, the Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services under this Agreement provided by or to such Party, except for (a) any Tax on either party's corporate existence, status, or income or (b) any corporate franchise Taxes. Whenever possible, Taxes shall be billed as a separate item on the invoice.
- 33.2 CLEC acknowledges and agrees that it is required to comply with Chapter 283 of the Texas Local Government Code, as it may be amended from time to time, and the reporting and compensation requirements of Subchapter R of the P.U.C. Substantive Rules – Chapter 26, Applicable to Telecommunications Service Providers, as they may be amended from time to time. With respect to municipal fees charged pursuant to Chapter 283, Tex. Loc. Gov't Code, CLEC agrees that it will directly report its access lines to the Texas Public Utility Commission, will remit the related payments to municipalities, and will otherwise comply with Chapter 283 and applicable P.U.C rules, as they may be amended from time to time.
- 33.3 With respect to any purchase of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services under this Agreement if any Tax is required or permitted by Applicable Law to be collected from the purchasing Party by the providing Party, then: (i) the providing Party shall bill the purchasing Party for such Tax; (ii) the purchasing Party shall remit such Tax to the providing Party; and (iii) the providing Party shall remit such collected Tax to the applicable taxing authority. 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: (i) it bills the purchasing Party for such Tax, or (ii) 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 providing 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.
- 33.4 With respect to any purchase hereunder of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and services under this Agreement that are resold to a third party, if any Tax is imposed by Applicable Law on the End User in connection with any such purchase, then: (i) the purchasing Party shall be required to impose and/or collect such Tax from the End User; and (ii) the purchasing Party shall remit such Tax to the applicable taxing authority. The purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such tax to such authority.
- 33.5 If the providing Party fails to bill or to collect any Tax as required herein, then, as between the providing Party and the purchasing Party: (i) the purchasing Party shall remain liable for such uncollected Tax; and (ii) the providing Party shall be liable for any penalty and interest assessed with respect to such



uncollected Tax by such authority. However, if the purchasing Party fails to pay any Taxes properly billed, then, as between the providing Party and the purchasing Party, the purchasing Party will be solely responsible for payment of the Taxes, penalty and interest.

- 33.6 If the purchasing Party fails to impose and/or collect any Tax from End Users as required herein, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay or impose on and/or collect from End Users, the purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such Tax to such authority.
- 33.7 If either Party is audited by a taxing authority or other Governmental Authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 33.8 To the extent a sale is claimed to be for resale and thus subject to tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party for any period prior to the date that the purchasing Party presents a valid certificate. If Applicable Law excludes or exempts a purchase of Interconnection, Resale Services, Lawful Unbundled Network Elements, functions, facilities, products and 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 (a) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption and identifying the Applicable Law that both allows such exemption and does not require an exemption certificate; and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless from any tax, interest, penalties, loss, cost or expense with respect to forbearing to collect such Tax.
- 33.9 With respect to any Tax or Tax controversy covered by this Section 33, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to Applicable Law and at its own expense, any Tax that it is ultimately obligated to pay or collect. The purchasing Party will ensure that no lien is attached to any asset of the providing Party as a result of any contest. The purchasing Party shall be entitled to the benefit of any refund or recovery of amounts that it had previously paid resulting from such a contest. Amounts previously paid by the providing Party shall be refunded to the providing Party. The providing Party will cooperate in any such contest.
- 33.10 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section 34 shall be sent in accordance with Section 17 hereof.

#### **34. NON-WAIVER**

- 34.1 Except as otherwise specified in this Agreement, no waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same is in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed. Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege. No course of dealing or failure of any Party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.

### 35. NETWORK MAINTENANCE AND MANAGEMENT

- 35.1 The Parties will work cooperatively to implement this Agreement. The Parties will exchange appropriate information (for example, maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, escalation processes, etc.) to achieve this desired result.
- 35.2 Each Party will administer its network to ensure acceptable service levels to all users of its network services. Service levels are generally considered acceptable only when End Users are able to establish connections with little or no delay encountered in the network. Each Party will provide a 24-hour contact number for Network Traffic Management issues to the other's surveillance management center.
- 35.3 Each Party maintains the right to implement protective network traffic management controls, such as "cancel to", "call gapping" or 7-digit and 10-digit code gaps, to selectively cancel the completion of traffic over its network, including traffic destined for the other Party's network, when required to protect the public-switched network from congestion as a result of occurrences such as facility failures, switch congestion or failure or focused overload. Each Party shall immediately notify the other Party of any protective control action planned or executed.
- 35.4 Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes shall not be used to circumvent normal trunk servicing. Expansive controls shall be used only when mutually agreed to by the Parties.
- 35.5 The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes to prevent or mitigate the impact of these events on the public-switched network, including any disruption or loss of service to the other Party's End Users. Facsimile (FAX) numbers must be exchanged by the Parties to facilitate event notifications for planned mass calling events.
- 35.6 Neither Party shall use any Interconnection, Resale Service, Lawful Unbundled Network Element, function, facility, product or service provided under this Agreement or any other service related thereto or used in combination therewith in any manner that interferes with or impairs service over any facilities of SBC-13STATE, its affiliated companies or other connecting telecommunications carriers, prevents any carrier from using its Telecommunications Service, impairs the quality or the privacy of Telecommunications Service to other carriers or to either Party's End Users, causes hazards to either Party's personnel or the public, damage to either Party's or any connecting carrier's facilities or equipment, including any malfunction of ordering or billing systems or equipment. Upon such occurrence either Party may discontinue or refuse service, but only for so long as the other Party is violating this provision. Upon any such violation, either Party shall provide the other Party notice of the violation at the earliest practicable time.

### 36. SIGNALING

- 36.1 SBC-13STATE will provide SS7 signaling pursuant to applicable access tariff.

### 37. CUSTOMER INQUIRIES

- 37.1 Except as otherwise required by Section 24.1, each Party will refer all questions regarding the other Party's services or products directly to the other Party at a telephone number specified by that Party.
- 37.2 Except as otherwise required by Section 24.1, each Party will ensure that all of its representatives who receive inquiries regarding the other Party's services:
- 37.2.1 Provide the number described in Section 38.1 to callers who inquire about the other Party's services or products; and
- 37.2.2 Do not in any way disparage or discriminate against the other Party or its products or services.

- 37.3 Except as otherwise provided in this Agreement, CLEC shall be the primary point of contact for CLEC's End Users with respect to the services CLEC provides such End Users.
- 37.4 CLEC acknowledges that **SBC-13STATE** may, upon End User request, provide services directly to such End User similar to those offered to CLEC under this Agreement.

#### **38. EXPENSES**

- 38.1 Except as expressly set forth in this Agreement, each Party will be solely responsible for its own expenses involved in all activities related to the matters covered by this Agreement.
- 38.2 **SBC-12STATE** and CLEC shall each be responsible for one-half (1/2) of expenses payable to a Third Party for Commission fees or other charges (including regulatory fees, reproduction and delivery expense and any costs of notice or publication, but not including attorney's fees) associated with the filing of this Agreement or any amendment to this Agreement. Prior to the filing of this Agreement in the State of Nevada, CLEC will submit a check in the amount of \$200.00, payable to **Public Utilities Commission of Nevada**, to cover its portion of the expenses incurred with filing this Agreement. Prior to the filing of each and every Amendment filed in connection with this Agreement in the State of Nevada, CLEC will submit a check in the amount of \$200.00, payable to **Public Utilities Commission of Nevada**, to cover its portion of the expenses incurred with filing of each amendment filed in connection with this Agreement. Upon receipt of CLEC's check, the Agreement will be processed for filing with the Commission.

#### **39. CONFLICT OF INTEREST**

- 39.1 The Parties represent that no employee or agent of either Party has been or will be employed, retained, paid a fee, or otherwise received or will receive any personal compensation or consideration from the other Party, or any of the other Party's employees or agents in connection with the negotiation of this Agreement or any associated documents.

#### **40. SURVIVAL**

- 40.1 The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed by the Parties to continue beyond the termination or expiration of this Agreement: Section 5.5; Section 5.6, Section 7.3; Section 8.1; Section 8.4; Section 8.5; Section 8.6; Section 8.7; Section 8.8; Section 10, Section 11; Section 13; Section 14; Section 15; Section 16.1; Section 18; Section 19; Section 20; Section 22; Section 25.4; Section 26.1.3; Section 32; Section 34 and Section 42.

#### **41. SCOPE OF AGREEMENT**

- 41.1 This Agreement is intended to describe and enable specific Interconnection and compensation arrangements between the Parties. This Agreement is the arrangement under which the Parties may purchase from each other the products and services described in Section 251 of the Act and obtain approval of such arrangement under Section 252 of the Act. Except as agreed upon in writing, neither Party shall be required to provide the other Party a function, facility, product, service or arrangement described in the Act that is not expressly provided herein.
- 41.2 Except as specifically contained herein or provided by the FCC or any Commission within its lawful jurisdiction, nothing in this Agreement shall be deemed to affect any access charge arrangement.

#### **42. AMENDMENTS AND MODIFICATIONS**

- 42.1 Except as otherwise provided for in this Agreement, no provision of this Agreement shall be deemed amended or modified by either Party unless such an amendment or modification is in writing, dated, and signed by an authorized representative of both Parties. The rates, terms and conditions contained

in the amendment shall become effective upon approval of such amendment by the appropriate Commissions; and such amendment will not require refunds, true-up or retroactive crediting or debiting prior to the approval of the Amendment. SBC-12STATE and CLEC shall each be responsible for its share of the publication expense (i.e. filing fees, delivery and reproduction expense, and newspaper notification fees), to the extent publication is required for filing of an amendment by a specific state.

- 42.2 Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications.

#### 43. APPENDICES INCORPORATED BY REFERENCE

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

43.1.1 SBC-13STATE shall provide to CLEC access to Poles, Conduits and Rights of Ways pursuant to the applicable Appendix ROW, which is/are attached hereto and incorporated herein by reference.

43.2 COLLOCATION – SECTION 251(c)(6)

43.2.1 Collocation will be provided pursuant to the applicable Appendix Collocation, which is attached hereto and incorporated herein by reference.

43.3 DIALING PARITY – SECTION 251(b)(3)

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

43.3.2 SBC-12STATE shall provide IntraLATA Dialing Parity in accordance with Section 271(e)(2) of the Act.

43.4 INTERCONNECTION PURSUANT TO SECTION 251(c)(2)(A),(B),(C); 47 CFR § 51.305(a)(1)

43.4.1 SBC-13STATE shall provide to CLEC Interconnection of the Parties' facilities and equipment for the transmission and routing of Telephone Exchange Service traffic and Exchange Access traffic pursuant to the applicable Appendix ITR, which is/are attached hereto and incorporated herein by reference. Methods for Interconnection and Physical Architecture shall be as defined in the applicable Appendix NIM, which is/are attached hereto and incorporated herein by reference.

43.5 NUMBER PORTABILITY – SECTIONS 251(b)(2)

43.5.1 The Parties shall provide to each other Permanent Number Portability (**PNP**) on a reciprocal basis as outlined in the applicable Appendix Number Portability, which is/are attached hereto and incorporated herein by reference.

43.6 OTHER SERVICES

43.6.1 911 and E911 Services

43.6.1.1 SBC-13STATE will make nondiscriminatory access to 911 and E911 services available under the terms and conditions of the applicable Appendix 911, which is/are attached hereto and incorporated herein by reference.

43.6.1.2 The Parties agree that for "data only" providers the following rules concerning 911 requirements apply:

43.6.1.2.1 The Parties agree that CLEC will not have to establish 911 trunking or interconnection to Ameritech's 911 Selective Routers, and therefore SBC-13STATE shall not provide 911 services for those information service applications in which CLEC does not offer its end users the ability to place outgoing voice calls provided that; and

43.6.1.2.2 CLEC understands and agrees that, should it decide to provide voice service, it is required to meet all applicable Commission 911 service requirements; and

43.6.1.2.3 CLEC agrees to begin implementing access to 911 sufficiently in advance of the planned implementation of voice service to meet its 911 requirements. CLEC understands that the steps it must take to fulfill its 911 obligation include, but are not limited to, obtaining NXX(s) from NECA for the exchange area(s) CLEC plans to serve, submission of the appropriate form(s) to SBC-13STATE, and, following SBC-13STATE's processing of such form(s), obtaining approval from the appropriate PSAP(s) for the CLEC's 911 service architecture. CLEC further understands that PSAP approval may include testing 911 trunks with appropriate PSAP(s). CLEC understands that, based on SBC-13STATE's prior experience with CLEC implementation of 911, these steps require a minimum of sixty (60) days.

43.6.1.2.4 CLEC agrees to indemnify and hold SBC-13STATE harmless from the consequences of CLEC's decision to not interconnect with SBC-13STATE's 911 Selective Routers. The provisions of General Terms and Conditions Section 14 shall apply to such indemnification.

43.6.3 Directory Assistance (DA)

43.6.3.1 SBC-13STATE will provide nondiscriminatory access to Directory Assistance services under the terms and conditions identified in the applicable Appendix DA, which is/are attached hereto and incorporated herein by reference.

43.6.4 Hosting

43.6.4.1 At CLEC's request, SBC-10STATE shall perform hosting responsibilities for the provision of billable message data and/or access usage data received from CLEC for distribution to the appropriate billing and/or processing location or for delivery to CLEC of such data via SBC-10STATE's internal network or the nationwide CMDS network pursuant to the applicable Appendix HOST, which is/are attached hereto and incorporated herein by reference.

43.6.5 Operator Services (OS)

44.6.5.1 SBC-13STATE shall provide nondiscriminatory access to Operator Services under the terms and conditions identified in the applicable Appendix OS, which is/are attached hereto and incorporated herein by reference.

43.6.6 Publishing and Directory

43.6.6.1 SBC-13STATE will make nondiscriminatory access to Publishing and Directory service available under the terms and conditions of the applicable Appendix White Pages, which is/are attached hereto and incorporated herein by reference.

43.6.7 RESALE-SECTIONS 251(b)(1)

43.6.7.1 SBC-13STATE shall provide to CLEC Telecommunications Services for resale at wholesale rates pursuant to the applicable Appendix Resale, which is/are attached hereto and incorporated herein by reference.

43.6.8 TRANSMISSION AND ROUTING OF SWITCHED ACCESS TRAFFIC PURSUANT TO 251(c)(2)

43.6.8.1 SBC-13STATE shall provide to CLEC certain trunk groups (Meet Point Trunks) under certain parameters pursuant to the applicable Appendix ITR, which is/are attached hereto and incorporated herein by reference.

**43.6.9 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC  
PURSUANT TO SECTION 251(c)(2)(D); 252(d)(1) and (2); 47 CFR § 51.305(a)(5).**

43.6.9.1 The applicable Appendix Compensation, which ~~is/are~~ attached hereto and incorporated herein by reference, prescribe traffic routing parameters for Local Interconnection Trunk Group(s) the Parties shall establish over the Interconnections specified in the applicable Appendix ITR, which ~~is/are~~ attached hereto and incorporated herein by reference.

**43.6.10 LAWFUL UNBUNDLED NETWORK ELEMENTS – SECTIONS 251(c)(3)**

43.6.10.1 Pursuant to the applicable Appendix Lawful UNEs, which ~~is/are~~ attached hereto and incorporated herein by reference, **SBC-13STATE** will provide CLEC access to Lawful UNEs for the provision of Telecommunications Service as required by Sections 251 and 252 of the Act and in the Appendices hereto. CLEC agrees to provide access to its Network Elements to **SBC-13STATE** under the same terms, conditions and prices contained herein and in the applicable Appendices hereto.

**44. AUTHORITY**

- 44.1 Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that it is a corporation or limited partnership duly organized, validly existing and in good standing under the laws of its state of incorporation or formation. Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that SBC Operations, Inc. has full power and authority to execute and deliver this Agreement as agent for that SBC-owned ILEC. Each of the SBC-owned ILEC(s) for which this Agreement is executed represents and warrants that it has full power and authority to perform its obligations hereunder.
- 44.2 CLEC represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. CLEC represents and warrants that it has been or will be certified as a LEC by the Commission(s) prior to submitting any orders hereunder and is or will be authorized to provide the Telecommunications Services contemplated hereunder in the territory contemplated hereunder prior to submission of orders for such Service.
- 44.3 Each Person whose signature appears below represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.

**45. COUNTERPARTS**

- 45.1 This Agreement may be executed in counterparts. Each counterpart shall be considered an original and such counterparts shall together constitute one and the same instrument.

**46. ENTIRE AGREEMENT**

**46.1 SBC-12STATE**

46.1.1 The terms contained in this Agreement and any Appendices, Attachments, Exhibits, Schedules, and Addenda constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written between the Parties during the negotiations of this Agreement and through the execution and/or Effective Date of this Agreement. This Agreement shall not operate as or constitute a novation of any agreement or contract between the Parties that predates the execution and/or Effective Date of this Agreement.

**46.2 SBC CONNECTICUT**

46.2.1 The rates, terms and conditions contained in this Agreement and any Appendices, Attachments, Exhibits, Schedules, Addenda, Commission approved tariffs and other documents or instruments referred to herein and incorporated into this Agreement by reference constitute the entire

agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written between the Parties predating the execution of this Agreement; provided, however, that none of the rates, terms or conditions of this Agreement shall be construed to apply in any manner to any period prior to the termination and/or expiration date of any agreement that this Agreement replaces. This Agreement shall not operate as or constitute a novation of any agreement or contract between the Parties that predates the execution and/or Effective Date of this Agreement.

**SBC-13STATE Agreement**  
**Signatures**

THIS AGREEMENT CONTAINS A BINDING  
ARBITRATION PROVISION WHICH MAY BE  
ENFORCED BY THE PARTIES.

CLEC's STATE-SPECIFIC:

FACILITIES-BASED OCN # \_\_\_\_\_

RESALE OCN # \_\_\_\_\_

ACNA \_\_\_\_\_

Neutral Tandem-Arkansas, LLC; Neutral Tandem-  
Indiana, LLC; Neutral Tandem-Kansas, LLC; Neutral  
Tandem-Missouri, LLC; Neutral Tandem-Nevada,  
LLC; Neutral Tandem-Oklahoma, LLC; Neutral  
Tandem-Texas, LLC

Indiana Bell Telephone Company Incorporated d/b/a SBC  
Indiana, Nevada Bell Telephone Company d/b/a SBC  
Nevada, and/or Southwestern Bell Telephone, L.P. d/b/a  
SBC Arkansas, SBC Kansas, SBC Missouri, SBC  
Oklahoma, SBC Texas; by SBC Operations, Inc., its  
authorized agent

Signature: David Tatak

Name: DAVID TATAK  
(Print or Type)

Title: VP Billing & Revenue  
(Print or Type)

Date: 5/16/05

Signature: Mike Auinbauh

Name: Mike Auinbauh  
(Print or Type)

Title: AVP-Local Interconnection Marketing

Date: JUN 02 2005



## APPENDIX COORDINATED HOT CUT (CHC)

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## APPENDIX COORDINATED HOT CUT (CHC)

### 1. INTRODUCTION

This Appendix sets forth terms and conditions for Coordinated Hot Cut (CHC) provided by the applicable SBC Communications Inc. (SBC) owned Incumbent Local Exchange Carrier (ILEC) and CLEC.

- 1.1 **SBC Communications Inc. (SBC)** means the holding company which directly or indirectly owns the following ILECs: Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company d/b/a SBC Connecticut, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin.
- 1.2 **SBC-13STATE** - As used herein, **SBC-13STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC MIDWEST REGION 5-STATE**, **SBC-2STATE** and **SBC CONNECTICUT** the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.3 **SBC CALIFORNIA** - As used herein, **SBC CALIFORNIA** means Pacific Bell Telephone Company d/b/a SBC California, the applicable SBC-owned ILEC doing business in California.
- 1.4 **SBC CONNECTICUT** - As used herein, **SBC CONNECTICUT** means The Southern New England Telephone Company, the applicable above listed ILEC doing business in Connecticut.
- 1.5 **SBC MIDWEST REGION 5-STATE** - As used herein, **SBC MIDWEST REGION 5-STATE** means Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.
- 1.6 **SBC NEVADA** - As used herein, **SBC NEVADA** means Nevada Bell Telephone Company d/b/a SBC Nevada, the applicable SBC-owned ILEC doing business in Nevada.
- 1.7 **SBC SOUTHWEST REGION 5-STATE** - As used herein, **SBC SOUTHWEST REGION 5-STATE** means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas the applicable above listed ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma, and Texas.
- 1.8 **"Conversion of Service"** is defined as the matching of the disconnect of one telecommunications product or service with the installation of another telecommunications product or service.
- 1.9 **"Designated Installation"** is defined as an installation of service occurring at a specific time of day as specified by CLEC.

### 2. CHC SERVICE DESCRIPTION

- 2.1 Coordinated Hot Cut (CHC) Service is an optional manual service offering that permits CLEC to request a designated installation and/or conversion of service during, or after, normal business hours..
- 2.2 CLEC will initiate the beginning of a CHC by contacting the appropriate coordination center. This special request enables CLEC to schedule and coordinate particular provisioning requirements with the **SBC-13STATE**.
- 2.3 **SBC-13STATE** may limit the number of service orders that can be coordinated based on workload and resources available. SBC shall approve CHC requests on a non-discriminatory basis, by requesting carrier, and on a first come, first served basis.

- 2.4 The SBC-13STATE reserves the right to suspend the availability of CHC Service during unanticipated heavy workload/activity periods. Heavy workload includes any unanticipated volume of work that impacts the SBC-13STATE's ability to provide its baseline service. Where time permits, the SBC-13STATE will make every effort to notify CLEC when such unanticipated activities occur.

### 3. CHC PRICING

- 3.1 CHC is a time sensitive labor operation. Total charges are determined by a number of factors including the volume of lines, day of the week, and the time of day requested for the cut over.
- 3.2 When CLEC orders CHC service, SBC-13STATE shall charge and CLEC agrees to pay for CHC service at the "additional labor" or "Time and Material" rates set forth in the following applicable Tariffs or Appendix Pricing, Schedule of Prices:
- 3.2.1 SBC MIDWEST REGION 5-STATE - FCC No. 2 Access Services Tariff, Section 13.2.6 (c)<sup>1</sup>
- 3.2.2 SBC NEVADA - PUCN, Section C13A, 13.2.6(c)
- 3.2.3 SBC CALIFORNIA - Access Tariff 175-T, Section 13.2.6(c)
- 3.2.4 SBC SOUTHWEST REGION 5-STATE - Appendix Pricing, Schedule of Prices, "Time and Materials Charges"
- 3.2.5 SBC CONNECTICUT - Connecticut Access Service Tariff, Section 18.1(3)
- 3.3 In the event the SBC-13STATE fails to meet a CHC Service commitment for reasons within the control of SBC-13STATE, SBC will not charge CLEC a CHC Service charge. However, in the event SBC misses a CHC Service commitment due to CLEC, its agent or end user reasons, the Coordinated Hot Cut (CHC) Service charge will still apply. For example, if CLEC requests any change to an order with CHC Service including, but not limited to, SBC-13STATE's inability to gain access to CLEC's end user's premises, or CLEC/end user is not ready to proceed with the order, the CHC charge will apply and SBC-13STATE is no longer obligated to ensure a CHC is on that order.

<sup>1</sup> SBC-13STATE will not charge the additional labor rate in a particular state in the SBC MIDWEST 5-STATE region until the effective non-recurring dockets: IL - 98-0396, IN - Cause 40611-S1, MI - U-11831, OH - 96-922-TP-UNC, and WI - 6720-TI-120, are superceded by that state's commission order approving new non-recurring Lawful UNE rates.

## APPENDIX PHYSICAL COLLOCATION

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## APPENDIX PHYSICAL COLLOCATION

### 1. INTRODUCTION

SBC-13STATE will provide Physical Collocation arrangements at the rates, terms and conditions set forth below.

#### 1.1 Process

- 1.1.1 This Appendix provides for the placing of Collocator telecommunications equipment and facilities on SBC-13STATE property for the purposes set forth in Section 1.3, following.

#### 1.2 Scope

- 1.2.1 Physical Collocation provides actual space via SBC-13STATE approved vendor (hereinafter referred to as Dedicated Space) within SBC-13STATE Eligible Structure as defined in Section 2, Definitions, following. The Collocator will lease the Dedicated Space from SBC-13STATE and install certain of its own telecommunications equipment within the Dedicated Space that is necessary for the purposes set forth in Section 1.3 following, SBC-13STATE will provide caged, cageless, and other Physical Collocation arrangements within its Eligible Structures. When space is Legitimately Exhausted inside an Eligible Structure, SBC-13STATE will permit collocation in Adjacent Structures located on SBC-13STATE's property in accordance with this Appendix.

#### 1.3 Purpose

- 1.3.1 Physical Collocation is available to telecommunications carriers for the placement of telecommunications equipment as provided for in this Appendix solely for the purposes of (i) transmitting and routing Telephone Exchange service or Exchange Access pursuant to 47 U.S.C. § 251(c)(2) of the Act and applicable effective FCC regulations and judicial rulings, or (ii) obtaining access to SBC-13STATE's Lawful Unbundled Network Elements (UNEs) pursuant to 47 U.S.C. § 251(c)(3) of the Act including lawful and effective FCC rules and associated lawful and effective FCC and judicial orders. The terms "Telephone Exchange Service", "Exchange Access" and "Network Element" are used as defined in 47 U.S.C. § 153(47), 47 U.S.C. § 153(16), and 47 U.S.C. § 153(29) of the Act, respectively.
- 1.4 The Parties intend that this Appendix contain the sole and exclusive terms and conditions by which telecommunications carrier will obtain Physical Collocation from SBC-13STATE pursuant to 47 U.S.C. § 251(c)(6). For the term of the Agreement, SBC-13STATE will process any order for any 251(c)(6) Physical Collocation submitted by Collocator, as being submitted under this Appendix and, further, will convert any 251(c)(6) Physical Collocation provided under tariff ("Billing Conversions") prior to the effective date of the Agreement, to this Appendix, effective as of the Effective Date of the Agreement. The Billing Conversions shall only involve changes in the applicable pricing, and SBC-13STATE will not impose any charge(s) to perform such Billing Conversion(s).
- 1.4.1 Prospective Effect.
- 1.4.1.1 Except as may otherwise be provided within this Appendix, any Billing Conversion made pursuant to Section 1.4 shall be effective on a prospective basis only, including for non-recurring and recurring charges. The rates implemented via this interconnection agreement shall apply to all existing collocation arrangements that were established under the terms and conditions established pursuant to 47 USC 251(c)(6) without the need for a specific request by the CLEC that such new rates be implemented for each such collocation arrangement.. Adoption of a new rate structure shall not by itself require purchaser to incur any new non-recurring collocation area modification or application charges.
- 1.4.1.2 In the event that any order for any 251(c)(6) Physical Collocation submitted by Collocator is pending as of the Effective Date of the Agreement, any non-recurring charges then due and owing or otherwise then contemplated by such pending order shall be assessed in accordance with the rates set forth in the arrangement (e.g., tariff or prior interconnection agreement)

under which the order was originally submitted; provided, however, that any recurring charges arising out of such order shall be subject to the rates set forth in this Agreement from the Effective Date forward.

- 1.4.2 The terms and conditions expressly set forth in this Appendix shall control in the event of an irreconcilable conflict with the Collocation Services Handbook, SBC-13STATE's standards and requirements for equipment and facility installations, CLEC Online website, or SBC-13STATE's TP76300MP.

## 2. DEFINITIONS

- 2.1 **Act** - "Act" means the Communications Act of 1934 [47 U.S.C. 153(R)], as amended by the Telecommunications Act of 1996, Public Law 104-104, 110 Stat. 56 (1996) codified throughout 47 U.S.C.
- 2.2 **Active Collocation Space** - Denotes the space within an Eligible Structure that has sufficient telecommunications infrastructure systems, including power that can be designated for Physical Collocation. Space within CEVs, huts and cabinets and similar Eligible Structures that can be designated for Physical Collocation is considered to be Active Collocation Space.
- 2.3 **Adjacent Off-site Arrangement** - Where Physical Collocation space within SBC-13STATE Eligible Structure is Legitimately Exhausted, and the Collocator's Adjacent On-site space is not within 50 ft. of the Eligible Structure's outside perimeter wall, the Collocator has the option and SBC-13STATE shall permit an Adjacent Structure Off-site Arrangement, to the extent technically feasible. The Adjacent Off-site Arrangement is available if the Collocator's site is located on a property that is contiguous to or within one standard city block of SBC-13STATE's Central Office or Eligible Structure.
- 2.4 **Adjacent Structure** - A Collocator-provided structure placed on SBC-13STATE property (Adjacent On-site) or non-SBC 13-STATE property (Adjacent Off-site) adjacent to an Eligible Structure. This arrangement is only permitted when space is legitimately exhausted inside the Eligible Structure and to the extent technically feasible.
- 2.5 **Augment** - A request from a Collocator to add or modify space, equipment, and/or cable to an existing Physical Collocation arrangement.
- 2.6 **Cross-Connect** - A service order-generated connection of one or more Collocator's equipment cables using patch cords or jumpers that attach to connecting equipment hardware at the Main Distribution Frame (MDF), Intermediate Distribution Frame (IDF) or Fiber Distribution Frame (FDF).
- 2.7 **Direct Connection** - Sometimes inappropriately called a cross-connect, this is a cable connection between a Collocator's collocated equipment in a Physical or Virtual Collocation arrangement and its own or another Collocator's physically or virtually collocated equipment, located within the Eligible Structure (see Cross Connect, 2.6).
- 2.8 **Custom Work Charge** - Denotes the charge(s) developed solely to meet the construction requirements of the Collocator, (e.g., brighter lighting above the Collocator's cage, circular cage, different style tile within the cage).
- 2.9 **Day** - For purposes of application and/or installation intervals, "day" denotes calendar days unless otherwise specified. However, any time period equal to or less than five (5) days, day denotes business day.
- 2.10 **Delivery Date** - The date on which SBC-13STATE provides the requested collocation space constructed in accordance with the requesting carrier's application, and turns the functional space over to the requesting carrier. The space is functional when SBC-13STATE has completed all it has to do and is not dependent on when or whether the Collocator has completed its work.
- 2.11 **Dedicated Space** - Denotes the space assigned for the Collocator's Physical Collocation arrangement located in SBC-13STATE Eligible Structure.



- 2.12 **Effective Billing Date** – The date SBC-13STATE completed its work as required by the Collocator's accurate and complete application and made the Physical Collocation space available to the Collocator, regardless of any failure by the Collocator to complete its work.
- 2.13 **Eligible Structure** - Eligible Structure refers to SBC-13STATE's Central Offices and serving wire centers, as well as all buildings or similar structures owned or leased by SBC-13STATE that house its network facilities, and all structures that house SBC-13STATE's facilities on public rights-of-way.
- 2.14 **Extraordinary Charges** - Those costs for requests for construction or maintenance that are beyond what is ordinary, average, usual or normal in degree or measure based upon the terms, conditions, and rates established in this Appendix. Extraordinary costs are one-time expenses SBC-13STATE incurs to meet the specific request of an individual Collocator and will not typically benefit either other CLECs or SBC-13STATE as defined in Section 17.6
- 2.15 **Inactive Space** - Denotes the space within the central office that can be designated for physical collocation where infrastructure systems do not currently exist and must be constructed. The designation of Other (Inactive) Collocation Space is applicable to space within central offices only; other Eligible Structures such as CEVs, Huts, and Vaults are considered Active Collocation Space.
- 2.16 **Individual Case Basis (ICB)** - SBC-13STATE may seek to impose Individual Case Basis (ICB) charges for requirements based on requests from a Collocator that are beyond the terms, conditions, and rates established in this Appendix.
- 2.17 **Infrastructure Systems** – Denotes the structural components, such as floors capable of supporting equipment loads, heating, ventilating and air conditioning (HVAC) systems, electrical systems, power, high efficiency filtration, humidity controls, remote alarms, and smoke purge.
- 2.18 **Installation Supplier** - Suppliers/vendors that are approved to perform central office installation work for SBC-13STATE and for Collocator in SBC-13STATE eligible structures in all collocation footprints areas and/or SBC-13STATE common areas in the technologies and geographical locations for which they are approved by SBC-13STATE.
- 2.18.1 **SBC Approved CO Installation Suppliers (Tier 1 Approved Suppliers)** - These suppliers are approved to perform CO installation work for SBC-13STATE and for Collocators in SBC-13STATE central offices in all collocation areas and common areas in the technologies and geographical locations for which they are approved by the SBC-13STATE per the letter codes listed in a table on the Tier 1 list on <https://clec.sbc.com/clec>.
- 2.18.2 **SBC Collocation Approved Installation Suppliers (Tier 2 Approved Suppliers)** - These suppliers have been approved to perform collocation installation work for Collocators in all 13 states of the SBC-13STATE central offices in the Caged Collocation area and in the "footprint of the bay" in the Cageless (Physical) Collocation area. This category of approval does not include access to common areas, installation of cabling outside of the cage or footprint, virtual collocation areas, the MDF or the BDFB power distribution areas.
- 2.19 **Interconnector's Guide for Collocation (Collocation Handbook)** -or like document is a publication provided to Collocators that provides information on how to order collocation arrangements and the processes and requirements for collocation in the SBC-13STATE's, which is located on the SBC-13STATE CLEC ONLINE Web-Site (<https://clec.sbc.com/clec>), as amended from time to time.
- 2.20 **Legitimately Exhausted** – Denotes when all space in a Central Office (CO) or other Eligible Structure that can be used to locate telecommunications equipment via physical collocation is completely occupied.
- 2.21 **Main Distribution Frame** - The termination point in the Eligible Structure between cables from the outside, tied down on one side of the frame, and internal lines, tied down on the other side of the frame.
- 2.21 **Non-Standard Collocation Request (NSCR)** - SBC-13STATE may seek to impose non-standard charges for requirements based on requests from a Collocator that are beyond the terms, conditions, and rates established in this Appendix.

- 2.22 **Preparation Charges** - Denotes those charges associated with the initial preparation of the Collocator's Dedicated Space.
- 2.23 **Remote Terminals** - Controlled Environmental Vaults (CEV), Huts, Remote Terminals and Cabinets and other SBC owned or controlled premises where collocation is practical and technically feasible, e.g. where heat dissipation is not severely limited or there is sufficient space for Collocator's equipment.
- 2.24 **Technical Publications** - documents for installation requirements, can include network equipment, power, grounding, environmental, and physical design requirements. These documents can be referenced via <https://clec.sbc.com/clec>.
- 2.25 **Technically Feasible** - A collocation arrangement is technically feasible if, in accordance with either national standards or industry practice, there is no significant technical impediment to its establishment. Technical impediment shall be determined consistent with the definition of technically feasible in 47 CFR Section 51.5 to the extent that definition may be effective at the time of such determination. A rebuttable presumption that a collocation arrangement is technically feasible shall arise if the arrangement has been deployed by any incumbent local exchange carrier in the country.
- 2.26 **Telecommunications Infrastructure Space** - Denotes the square footage or linear footage of space, including common areas, used to house telecommunications infrastructure equipment necessary to support collocation space used for interconnection with or access to UNEs of **SBC-13STATE's** network.
- 2.27 **Unused Space** - Any space (i) existing in **SBC-13STATE's** Eligible Structures at the time of a collocation request, (ii) that is not subject to a valid space reservation by **SBC-13STATE's** or any third party, (iii) that is not occupied by **SBC-13STATE's**, its affiliates', or third party's equipment, and is not needed for access to, or egress from, work areas (iv) that is not being used by **SBC-13STATE's** or its affiliates for administrative or other functions and (v) on or in which the placement of any equipment or network facilities (**SBC-13STATE's** or Requesting Collocator's) would not violate any local or state law, rule or ordinance (e.g., fire, OSHA, or zoning) or technical standards (performance or safety) or would void **SBC-13STATE's** warranty on proximate

### 3. GENERAL

#### 3.1 Certification

- 3.1.1 The Collocator requesting Physical Collocation is responsible for obtaining any necessary certifications or approvals from the state utility commission prior to provisioning of telecommunications service by using the Physical Collocation space. **SBC-13STATE** shall not refuse to process an application for collocation space and shall not refuse to provision the collocation space submitted by a telecommunications carrier while that telecommunications carrier's state certification is pending or prior to a final approved interconnection agreement.

- 3.2 The rates and charges in this Appendix are applicable only for Physical Collocation arrangements in Eligible Structures as defined in Section 2 of this Appendix. **SBC-13STATE** allocates the charges for space preparation and security charges on a prorated basis so the first Collocator in a premises will not be responsible for the entire cost of site preparation. However, ancillary charges for unique Collocator requests for collocation options directly attributable to the requesting Collocator will not be prorated. Examples include power arrangements and POT bay-related options.

#### 3.3 Hazardous Waste and Materials

- 3.3.1 The Collocator and its vendors shall adhere to all federal, state and local regulations regarding hazardous material/waste. In addition, the telecommunications carrier's Installation Supplier shall adhere to all **SBC-13STATE** requirements. The Installation Supplier shall coordinate with the **SBC-13STATE** representative before any activity relating to hazardous material/waste is started. Refer to the Interconnector's Guide for Collocation Products and Services Handbook Appendix B, may be accessed via <https://clec.sbc.com/clec>.

### 3.4 Safety

3.4.1 The Collocator shall be entirely responsible for the safety and instruction of its employees or representatives. The Collocator shall take precautions to avoid harm to personnel, equipment, and building (e.g., cutting installed threaded rod) of SBC-13STATE or other telecommunications carriers. The Collocator shall immediately report to the SBC-13STATE representative any accident, outside agency inspection or hazardous condition, such as any accident or injury that occurs to employees or subcontractors of the Collocator while on SBC-13STATE premises or any OSHA inspection or citations issued to the Collocator while on SBC-13STATE premises. (Refer to Interconnector's Guide for Collocation for further details).

3.5 Parking at Eligible Structures will be provided on a first-come, first-served basis if there is no commercial parking or curbside parking available within a reasonable radius of the Eligible Structure. SBC-13STATE will rent parking spaces to Collocator on a first-come, first-served basis if such space is available. Collocator may not park in spaces that are reserved for SBC-13STATE vehicles and which are designated as reserved. SBC-13STATE shall not unreasonably reserve for its own use all parking at the Eligible Structure.

3.6 Collocator shall be allowed to have reasonable use of and access to loading docks. Collocator and SBC-13STATE are required to follow all posted traffic and SBC-13STATE signs and follow all applicable parking and traffic laws and ordinances.

### 3.7 Collocator's Equipment and Facilities

3.7.1 The Collocator is solely responsible for the design, engineering, testing, performance and maintenance of the telecommunications equipment and facilities used in the Dedicated Space. The Collocator will be responsible for servicing, supplying, repairing, installing and maintaining the following within the Dedicated Space or optional Point of Termination (POT) frame located in the common area:

3.7.1.1 its fiber optic cable(s) or other permitted transmission media as specified in Section 9.1;

3.7.1.2 its equipment;

3.7.1.3 required point of termination cross connects in the Dedicated Space or the optional POT Frame/Cabinet located in the Common Area;

3.7.1.4 POT frame maintenance, including replacement power fuses and circuit breaker restoration, to the extent that such fuses and circuit breakers are within the Dedicated Space or in the optional POT Frame/Cabinet located in the Common Area and accessible by the Collocator and only if and as required; and

3.7.1.5 the connection cable and associated equipment which may be required within the Dedicated Space(s) or in the optional POT Frame/Cabinet located in the Common Area to the point(s) of termination.

3.7.2 SBC-13STATE neither accepts nor assumes any responsibility whatsoever in any of the areas so designated in this Section.

### 3.8 Americans with Disability Act (ADA)

3.8.1 The rates and charges in this Appendix do not include costs for any Americans with Disability Act (ADA) construction generated or caused by the Physical Collocation space request. If required, ADA construction will be provided on an ICB.

3.8.2 If SBC-13STATE is required to upgrade an Eligible Structure, or portion of the structure to comply with the Americans with Disability Act (ADA) which arises as a direct result of Collocator's collocation arrangement, SBC-13STATE will prorate the total forward-looking economic cost of the upgrade, and allocate the charge to each Collocator located within the Eligible Structure, based on the total space utilized by each Collocator.

- 3.8.3 Should SBC-13STATE benefit in any way from the ADA upgrades, it shall absorb half of the cost when there is one benefiting Collocator, one-third when there are two (2), and so on.
- 3.8.4 Should SBC-13STATE be the sole beneficiary of an upgrade (e.g., an upgrade would have had to be made regardless of whether or not a Collocator was collocated in the CO), SBC-13STATE shall absorb all of the costs related to such an upgrade.
- 3.9 The rates and charges set forth herein are for Physical Collocation arrangements, while charges for interconnection and access to UNEs are as set forth in the respective sections of this Appendix.

#### 4. LIMITATION OF LIABILITY

##### 4.1 Limitation of Liability

- 4.1.1 With respect to any claim or suit for damages arising in connection with the mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring either in the course of furnishing service pursuant to the Agreement, the liability of either SBC-13STATE or the Collocator, if any, shall not exceed an amount equivalent to the proportionate monthly charge to the Collocator for the period during which such mistake, omission, interruption, delay, error, or defect in transmission or service occurs and continues.
- 4.1.2 Neither SBC-13STATE nor the Collocator shall be responsible to the other for any indirect, special, consequential, lost profit or punitive damages, whether in contract or tort.
- 4.1.3 Both SBC-13STATE and the Collocator shall be indemnified and held harmless by the other against claims and damages by any Third Party arising from provision of the other ones' services or equipment, except those claims and damages directly associated with the provision of services to each other which are governed by the provisioning Party's applicable agreements.
- 4.1.4 The liability of either SBC-13STATE or the Collocator for its willful misconduct or gross negligence is not limited by this Appendix.

##### 4.2 Third Parties

- 4.2.1 SBC-13STATE is required by law to provide space in and access to its Eligible Structures to certain other persons or entities ("Others"), which may include competitors of the Collocator; that such space may be close to the Dedicated Space, possibly including space adjacent to the Dedicated Space and with access to the outside of the Dedicated Space within the collocation area; and that if caged, the cage around the Dedicated Space is a permeable boundary that will not prevent the Others from observing or even damaging the Collocator's equipment and facilities.
- 4.2.2 In addition to any other applicable limitation, neither SBC-13STATE nor the Collocator shall have any liability with respect to any act or omission by any Other, regardless of the degree of culpability of any Other, except in instances involving gross negligence or willful actions by either SBC-13STATE or the Collocator or its agents or employees.

##### 4.3 Force Majeure Events

- 4.3.1 No Party shall be responsible for delays or failures in performance of any part of this Appendix (other than an obligation to make money payments) resulting from acts or occurrences beyond the reasonable control of such Party, including, but not limited to acts of nature, acts of civil or military authority, any law, order, regulation, ordinance of any Governmental Authority, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, hurricanes, floods, work stoppages, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, or omissions of transportation carriers (individually or collectively, a "Force Majeure Event") or any Delaying Event caused by the other Party or any other circumstances beyond the Party's reasonable control. If a Force Majeure Event shall occur, the Party affected shall give prompt written notice to the other Party of such Force Majeure Event specifying the nature, date of inception and expected duration of such Force Majeure

Event, whereupon such obligation or performance shall be suspended to the extent such Party is affected by such Force Majeure Event during the continuance thereof or be excused from such performance depending on the nature, severity and duration of such Force Majeure Event (and the other Party shall likewise be excused from performance of its obligations to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use reasonable and diligent efforts to avoid or remove the cause of nonperformance and the Parties shall give like notice and proceed to perform with dispatch once the causes are removed or cease.

#### 4.4 Insurance

##### 4.4.1 Coverage Requirements

4.4.1.1 The Collocator agrees to maintain, at all times, the following minimum insurance coverage and limits and any additional insurance and/or bonds required by law:

- 4.4.1.1.1 Workers' Compensation insurance with benefits afforded under the laws of the State of SBC-13STATE 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.
- 4.4.1.1.2 Commercial General Liability insurance with minimum limits of: \$10,000,000 General Aggregate limit; \$5,000,000 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; \$10,000,000 Products/Completed Operations Aggregate limit, with a \$5,000,000 each occurrence sub-limit for Products/Completed Operations. Fire Legal Liability sub-limits of \$2,000,000 are required for lease agreements. SBC-13STATE will be named as an Additional Insured on the Commercial General Liability policy.
- 4.4.1.1.3 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.
- 4.4.1.1.4 All Risk Property coverage on a full replacement cost basis insuring all of Collocator's personal property situated on or within the Eligible Structure or the Dedicated Space. Collocator releases SBC-13STATE from and waives any and all right of recovery, claim, action or cause of action against SBC-13STATE, its agents, directors, officers, employees, independent contractors, and other representatives for any loss or damage that may occur to equipment or any other personal property belonging to Collocator or located on or in the space at the request of Collocator when such loss or damage is by reason of fire or water or the elements or any other risks that would customarily be included in a standard all risk casualty insurance policy covering such property, regardless of cause or origin, including negligence of SBC-13STATE, its agents, directors, officers, employees, independent contractors, and other representatives.
- 4.4.1.1.5 Property insurance on Collocator's fixtures and other personal property shall contain a waiver of subrogation against SBC-13STATE, and any rights of Collocator against SBC-13STATE for damage to Collocator's fixtures or personal property are hereby waived. Collocator may also elect to purchase business interruption and contingent business interruption insurance, knowing that SBC-13STATE has no liability for loss of profit or revenues should an interruption of service occur that is attributable to any Physical Collocation arrangement provided under this Appendix.
- 4.4.1.1.6 SBC-13STATE requires that companies affording insurance coverage have a B+ VII or better rating, as rated in the A.M. Best Key rating Guide for Property and Casualty Insurance Companies.

- 4.4.2 A certificate of insurance stating the types of insurance and policy limits provided the Collocator must be received prior to commencement of any work. The insurance provisions and requirements are reciprocal to SBC-13STATE as well. If a certificate is not received, SBC-13STATE will notify the Collocator, and the Collocator will have five (5) business days to cure the deficiency. If the Collocator does not cure the deficiency within five (5) business days, Collocator hereby authorizes SBC-13STATE, and SBC-13STATE may, but is not required to, obtain insurance on behalf of the Collocator as specified herein. SBC-13STATE will invoice Collocator for the costs incurred to so acquire insurance.
- 4.4.3 The cancellation clause on the certificate of insurance will be amended to read as follows: "SHOULD ANY OF THE ABOVE-DESCRIBED POLICIES BE CANCELLED OR MATERIALLY CHANGED, THE ISSUING SBC-13STATE WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER."
- 4.4.4 The Collocator shall also require all contractors who may enter the Eligible Structure to maintain the same insurance requirements listed above.
- 4.5 Self-Insured
- 4.5.1 Self-insurance in lieu of the insurance requirements listed preceding shall be permitted if the Collocator 1) has a tangible net worth of fifty (50) million dollars or greater, and 2) files a financial statement annually with the Securities and Exchange Commission and/or having a financial strength rating of 4A or 5A assigned by Dun & Bradstreet. The ability to self-insure shall continue so long as the Collocator meets all of the requirements of this Section. If the Collocator subsequently no longer satisfies this Section 4.5.1, Coverage Requirements, shall immediately apply.

## 5. INDEMNIFICATION OF SBC-13STATE

- 5.1 Except as otherwise provided herein, the indemnity provisions of the Agreement between SBC-13STATE and the Collocator shall apply and are incorporated herein by this reference. However, in no event will the provisions in this Section supersede or override the indemnification provisions contained in the Agreement. Additionally, in the event of a conflict between indemnification provisions in the Agreement and this Appendix, the provisions in the Agreement will control.
- 5.2 Collocator shall indemnify and hold harmless SBC-13STATE the agents, employees, officers, directors and shareholders of any of them ("Indemnities"), from and against any and all liabilities, obligations, claims, causes of action, fines, penalties, losses, costs, expenses (including court costs and reasonable attorneys' fees), damages, injuries, of any kind, (individually and collectively "Liabilities"), including but not limited to, Liabilities as a result of (a) injury to or death of any person; (b) damage to or loss or destruction of any property; or (c) Liabilities related in any manner to employee benefits, workers compensation, payroll tax, and other employer obligations which may be asserted against SBC-13STATE where such liabilities arise in connection with Collocator's use of persons that it classifies as an independent contractor or subcontractor to perform obligations under this Appendix; (d) attachments, liens or claims of material persons or laborers arising out of or resulting from or in connection with this Appendix or the performance of or failure to perform and directly or indirectly caused, in whole or part, by acts of omissions, negligent or otherwise, of Collocator or a contractor or a representative of Collocator or an employee of any one of them, except to the extent such Liabilities arise from the negligence or willful or intentional misconduct of SBC-13STATE or its employees. The provisions in this Section are reciprocal and applicable also to SBC-13STATE.
- 5.3 SBC-13STATE shall, make reasonable efforts to promptly notify Collocator of any suit or other legal proceeding asserting a claim for Liabilities. Upon request, Collocator shall, at no cost or expense to any Indemnitee, defend any such suit or legal proceeding asserting a claim for Liabilities, and Collocator shall pay any costs and attorneys' fees that may be incurred by any Indemnitee in connection with any such claim, proceeding or suit. Collocator shall also (a) keep SBC-13STATE and any other Indemnitee subject to any such claim fully informed as to the progress of such defense, and (b) afford SBC-13STATE and such Indemnitee, each at its own expense, an opportunity to participate on an equal basis with Collocator in the defense or settlement of any such claim.

## 5.4 Casualty Loss

### 5.4.1 Damage to Dedicated Space

5.4.1.1 If the Dedicated Space is damaged by fire or other casualty that is not the result of the Collocator's actions or those of a Third Party as hereinafter described, and (1) the Dedicated Space is not rendered untenable in whole or in part, **SBC-13STATE** shall repair the same at its expense (as hereafter limited) and the monthly charge shall not be abated, or (2) the Dedicated Space is rendered untenable in whole or in part and such damage or destruction can be repaired within ninety (90) business days, **SBC-13STATE** has the option to repair the Dedicated Space at its expense (as hereafter limited) and the monthly charges shall be proportionately abated while the Collocator was deprived of the use. If the Dedicated Space cannot be repaired within ninety (90) business days, or **SBC-13STATE** opts not to rebuild, then **SBC-13STATE** shall notify the Collocator within thirty (30) business days following such occurrence that the Collocator's use of the Dedicated Space will terminate as of the date of such damage. Upon the Collocator's election, **SBC-13STATE** must provide to the Collocator, a comparable substitute collocation arrangement at another mutually agreeable location at the applicable non-recurring charges for that arrangement and location.

5.4.1.2 Any obligation on the part of **SBC-13STATE** to repair the Dedicated Space shall be limited to repairing, restoring and rebuilding the Dedicated Space as prepared for the Collocator by **SBC-13STATE**.

### 5.4.2 Damage to Eligible Structure

5.4.2.1 In the event that the Eligible Structure in which the Dedicated Space is located shall be so damaged by fire or other casualty that closing, demolition or substantial alteration or reconstruction thereof shall, in **SBC-13STATE**'s opinion be advisable, then, notwithstanding that the Dedicated Space may be unaffected thereby, **SBC-13STATE**, at its option, may terminate services provided via this Appendix by giving the Collocator ten (10) business days prior written notice within thirty (30) business days following the date of such occurrence, if at all possible.

## 6. SECURITY

6.1 **SBC-13STATE** may impose the following reasonable security measures on Collocator to assist in protecting its network and equipment from harm. **SBC-13STATE** may impose security arrangements as stringent as the security arrangements **SBC-13STATE** maintains at its own Eligible Structures either for its own employees or for authorized contractors. To the extent security arrangements are more stringent for one group than the other, **SBC-13STATE** may impose the more stringent requirements. Stated differently, the incumbent will not impose discriminatory security requirements that result in increased collocation costs without the concomitant benefit of providing necessary protection of the incumbent's equipment. **SBC-13STATE** will not use any information collected in the course of implementing or operating security arrangements for any marketing or other purpose in aid of competing with Collocator.

6.1.1 Collocator will conduct background checks of its personnel and technicians who will have access to the collocation space. Such background checks will include but are not to be limited to criminal background checks for offenses involving theft or damage to property, and a check of FBI listings of known or suspected terrorists.

6.1.1.1 Collocator technicians will be security-qualified by the Collocator and will be required to be knowledgeable of **SBC-13STATE** security standards. Collocator personnel and technicians will undergo the same level of security training or its equivalent that **SBC-13STATE**'s own employees and authorized contractors must undergo. **SBC-13STATE** will not, however, require Collocator to receive security training from **SBC-13STATE**, but will provide information to Collocator on the specific type of training required.

- 6.1.1.2 Collocator can then provide its employees with its own security training. Qualification program and security training details shall be included in SBC-13STATE's Technical Publications via <https://clec.sbc.com/clec>.
- 6.1.1.3 Collocator and SBC-13STATE will each establish disciplinary procedures up to and including dismissal or denial of access to the Eligible Structure and other property of SBC-13STATE for certain specified actions that damage, or place the equipment, facilities, or the network or personnel of the Collocator or SBC-13STATE in jeopardy. The following are actions that could damage or place the Eligible Structure, or the network or the personnel of the Collocator or SBC-13STATE in jeopardy and may justify disciplinary action up to and including dismissal or the denial of access to the Eligible Structure and other SBC-13STATE property:
- 6.1.1.3.1 Theft or destruction of SBC-13STATE's or Collocator's property;
  - 6.1.1.3.2 Use/sale or attempted use/sale of alcohol or illegal drugs on SBC-13STATE property;
  - 6.1.1.3.3 Threats or violent acts against other persons on SBC-13STATE property;
  - 6.1.1.3.4 Knowing violations of any local, state or federal law on SBC-13STATE property;
  - 6.1.1.3.5 Permitting unauthorized persons access to SBC-13STATE or Collocator's equipment on SBC-13STATE property; and
  - 6.1.1.3.6 Carrying a weapon on SBC-13STATE property.

In addition, Collocator and SBC-13STATE will take appropriate disciplinary steps as determined by each Party to address any violations reported by SBC-13STATE or the Collocator of SBC-13STATE's policies and practices on security, safety, network reliability, and business conduct as defined in SBC-13STATE's Interconnector's Collocation Services Handbook <https://clec.sbc.com/clec> for Physical Collocation in SBC-13STATE, provided the Handbook and any and all updates to it are timely provided to Collocator at no charge.

- 6.1.1.4 Collocator will provide indemnification as set forth in Section 5 of this Appendix and insurance as set forth in Section 4.4 of this Appendix to cover any damages caused by the Collocator's technicians at a level commensurate with the indemnification and insurance provided by SBC-13STATE-authorized contractors with equivalent access. The indemnification provisions and requirements are reciprocal to SBC-13STATE as well.
- 6.1.1.5 SBC-13STATE may use reasonable security measures to protect its equipment. In the event SBC-13STATE elects to erect an interior security partition in a given Eligible Structure to separate its equipment, SBC-13STATE may recover the costs of the partition in lieu of the costs of other reasonable security measures if the partition costs are lower than the costs of any other reasonable security measure for such Eligible Structure. In no event shall a Collocator be required to pay for both an interior security partition to separate SBC-13STATE's equipment in an Eligible Structure and any other reasonable security measure for such Eligible Structure.
- 6.1.1.5.1 SBC-13STATE's construction of an interior security partition around its own equipment shall not interfere with a telecommunications carrier's access to its equipment, including equipment collocated directly adjacent to SBC-13STATE's equipment. SBC-13STATE's construction of an interior security partition around its own equipment shall not impede a telecommunications carrier's ability to collocate within SBC-13STATE's space. To the extent that SBC-13STATE is required to install additional security measures within its interior security partition because a telecommunications carrier has access to its own equipment within the area, such security measures shall be constructed and maintained at SBC-13STATE's expense.
  - 6.1.1.5.2 SBC-13STATE's enclosure of its own equipment will not be a basis for a claim that space is Legitimately Exhausted, nor will it be a basis for a claim that Active Collocation Space is exhausted.



- 6.1.1.5.3 SBC-13STATE's enclosure of its own equipment will not unreasonably increase a telecommunications carrier's cost nor shall it result in duplicative security costs. The cost of an interior security partition around SBC-13STATE's equipment cannot include any embedded costs of any other security measures for the Eligible Structure.
- 6.1.1.5.4 If SBC-13STATE chooses to enclose its own equipment, SBC-13STATE will be entitled to recover the cost of the cage only to the extent that the price of such construction is lower than that of other reasonable security measures.
- 6.1.1.5.5 SBC-13STATE has the burden to demonstrate that the cost of security measures alternative to its partitioning of its own equipment is higher than the cost of enclosing its own equipment. If SBC-13STATE cannot prove that other reasonable security methods cost more than an interior security partition around SBC-13STATE's equipment, SBC-13STATE cannot elect to erect an interior security partition in a given Eligible Structure to separate its equipment and then recover the cost from Collocators.
- 6.1.1.5.6 If SBC-13STATE elects to erect an interior security partition and recover the cost, it must demonstrate to the Collocator that other reasonable security methods cost more than an interior security partition around SBC-13STATE's equipment at the time the price quote is given.
- 6.1.1.6 Collocator will have access to its physically collocated equipment twenty-four (24) hours a day, seven (7) days a week, without a security escort. SBC-13STATE will not delay a Collocator's entry into an Eligible Structure or access to its collocated equipment. SBC-13STATE will provide Collocator with reasonable access to restroom facilities and parking. Collocator will also have reasonable access to Collocator's assigned space during construction.

## 7. DEDICATED SPACE

### 7.1 Contact Numbers

- 7.1.1 SBC-13STATE is responsible for providing the Collocator personnel a contact number for SBC-13STATE technical personnel who are readily accessible twenty-four (24) hours a day, seven (7) days a week. In addition, for all activities requiring verbal and written notification per this Appendix, the Parties will provide the contact numbers included in the application process. Notwithstanding the requirements for contact numbers, the Collocator will have access to its collocated equipment in the Eligible Structure twenty-four (24) hours a day, seven (7) days a week and SBC-13STATE will not delay a Collocator's entry into an Eligible Structure.
- 7.1.2 The Collocator is responsible for providing to SBC-13STATE personnel a contact number for Collocator technical personnel who are readily accessible twenty-four (24) hours a day, seven (7) days a week SBC-13STATE. In addition, for all activities requiring verbal and written notification per this Appendix, the Parties will provide the contact numbers included in the application process.

### 7.2 Right-to-Use; Multiple Dedicated Spaces

- 7.2.1 In accordance with this Appendix, SBC-13STATE grants to the Collocator the right to use a Dedicated Space. Each Dedicated Space within an Eligible Structure will be considered a single Dedicated Space for the application of rates according to this Appendix.

### 7.3 Trouble Status Reports

- 7.3.1 SBC-13STATE and the Collocator are responsible for making best efforts to provide prompt verbal notification to each other of significant outages or operations problems which could impact or degrade SBC-13STATE or the Collocator's network, switches or services, with an estimated clearing time to restore service. In addition, SBC-13STATE and the Collocator will provide written notification within twenty-four (24) hours to each other. When trouble has been identified, SBC-13STATE or the

Collocator is responsible for providing trouble status reports, consistent with this Appendix, when requested by SBC-13STATE or the Collocator.

#### 7.4 Service Coordination

- 7.4.1 SBC-13STATE is responsible for coordinating with the Collocator to ensure that services are installed in accordance with the service request.

#### 7.5 Active/Inactive Space Determination

- 7.5.1 In its notification regarding whether its request for collocation has been granted or denied SBC-13STATE shall inform the Collocator if the space available for the requested collocation space will be Active Collocation or Inactive Space, as those terms are defined in Section 2 of this Appendix. If the Collocator's space is placed in Inactive Space, then the notification shall also include rationale for placing the requested space in such category, including all power, switching, and other factors used in making the determination.
- 7.5.2 In the event that the Collocator disputes the SBC-13STATE placement of the space into Inactive Space, then the Collocator may request a tour of the Eligible Structure to verify the Active/Inactive space availability. SBC-13STATE will provide all relevant documentation to the Collocator agent supporting its placement of Collocator's requested collocation arrangement in Inactive Space, subject to executing a non-disclosure agreement at the time of the inspection tour. The request shall be submitted to the SBC-13STATE-designated representative in writing within five (5) business days of notification to Collocator. If the Collocator fails to submit the written request within the eligible time frame, the option for an inspection tour is forfeited. The inspection tour will be scheduled within three (3) business days of receipt of the request for a tour. Any requested tour shall be scheduled to take place no later than seven (7) business days following the request for the inspection tour. At the Collocator's request, the request for inspection tour for determination of Active/Inactive space may be conducted concurrently with a tour involving space availability disputes, as provided in this Appendix, thereby modifying the time frame requirements in this paragraph.
- 7.5.3 The SBC-13STATE representative will escort one (1) Collocator agent on the inspection tour. If the Collocator agent believes, based on the inspection tour of the Eligible Structure that the placement of the collocation space in Inactive Space is unsupportable, the Collocator agent shall promptly advise SBC-13STATE orally and in writing within five (5) business days of the completion of the inspection tour. The Collocator may dispute the SBC-13STATE findings through the Dispute Resolution Process outlined herein, and the burden of proof shall be on SBC-13STATE to justify the basis for placement of the Collocator's space in Inactive Space. If the Collocator fails to submit the written request within the eligible time frame, it will be assumed that no dispute exists.

#### 7.6 Types of Available Physical Collocation Arrangements

- 7.6.1 SBC-13STATE will make each of the arrangements outlined below available within its Eligible Structures in accordance with this Appendix so that Collocator will have a variety of collocation options from which to choose:
- 7.6.1.1 Caged Physical Collocation - The Caged Collocation option provides the Collocator with an individual enclosure (not including a top). This enclosure is an area designated by SBC-13STATE within an Eligible Structure to be used by the Collocator for the sole purpose of installing, maintaining and operating the Collocator-provided equipment for the purpose of interconnection and access to UNEs. Accordingly, SBC-13STATE will not provide Collocator's personnel or agents with direct access to SBC-13STATE's Main Distribution Frame (MDF), with the exception of the SBC-13STATE's Approved Vendor.
- 7.6.1.2 SBC-13STATE will provide floor space, floor space site conditioning, cage common systems materials, cage preparation, and safety and security charges in increments of one (1) square foot. For this reason, Collocator will be able to order space and a cage enclosure in amounts as small as that sufficient to house and maintain a single rack or bay of equipment, (i.e., fifty

(50) square feet of caged space) and will ensure that the first Collocator in a SBC-13STATE premises will not be responsible for the entire cost of site preparation and security.

- 7.6.1.2.1 The Collocator must comply with all methods, procedures and guidelines followed by SBC-13STATE in constructing such an arrangement. The Collocator may provide a cage enclosure (which shall not include a top), cable rack and support structure inside the cage, lighting, receptacles, cage grounding, cage sign and door key set. In addition, terms and conditions for contractors performing cage construction activities as set forth in Section 21 following will apply. If the Collocator elects to install or requests that SBC-13STATE provide and install a point of termination (POT) frame in the dedicated collocation area rather than inside its cage.
- 7.6.1.3 Caged Shared Collocation - SBC-13STATE will provide Caged Shared Collocation as set forth in Section 11 following, "Use by Other Local Service Providers." Two (2) or more Collocators may initially apply at the same time to share a Caged Collocation space as set forth in Section 11.1 following. Charges to each Collocator will be based upon the percentage of total space utilized by each Collocator. Accordingly, SBC-13STATE will not provide Collocator's personnel or agents with direct access to SBC-13STATE's Main Distribution Frame (MDF), with the exception of the SBC-13STATE's Approved Vendor.
- 7.6.1.4 Cageless Collocation - SBC-13STATE will provide Cageless Collocation in any collocation space that is supported by the existing telecommunications infrastructure (Active Collocation Space), or in the event that all such space is exhausted or completely occupied, will provide in any collocation space that requires additional telecommunications infrastructure (Inactive Space), as further defined in Section 2 of this Appendix. Under this arrangement, SBC-13STATE will provide space in single bay increments, including available space adjacent to or next to SBC-13STATE's equipment. Collocator will have direct access to its equipment twenty-four (24) hours a day, seven (7) days a week without need for a security escort SBC-13STATE. SBC-13STATE will not require Collocator to use an intermediate interconnection arrangement (i.e., POT frame). SBC-13STATE may take reasonable steps to protect its own equipment as provided in Section 6 of this Appendix. Accordingly, SBC-13STATE will not provide Collocator's personnel or agents with direct access to SBC-13STATE's Main Distribution Frame (MDF), with the exception of the SBC-13STATE Approved Tier 1 Vendor.
- 7.6.1.5 Adjacent On-Site Space Collocation - Where Physical Collocation space within SBC-13STATE Eligible Structure is Legitimately Exhausted, as that term is defined in Section 2 of this Appendix, SBC-13STATE will permit Collocator to physically collocate on SBC-13STATE's property in adjacent Controlled Environmental Vaults (CEV), Huts, Cabinets, or similar structures that SBC-13STATE uses to house telecommunication equipment, to the extent technically feasible. SBC-13STATE and telecommunications carrier will mutually agree on the location of the designated space on SBC-13STATE premises where the Adjacent Structure will be placed. SBC-13STATE will not unreasonably withhold agreement as to the site desired by Collocator. Safety and maintenance requirements, zoning and other state and local regulations are all reasonable grounds to withhold agreement as to the site desired by the Collocator. SBC-13STATE will offer the following increments of power to the Adjacent Structure: SBC-13STATE will provide a standard offering of one-hundred (100) amps of AC power to the Adjacent Structure when Central Office Switchboard AC capacity exists. SBC-13STATE will provide DC power within two (2) cable options that allow increments of 2-100 (100A feed and 100B feed) Amp Power Feeds, 2-200 (200A feed and 200B feed) Amp Power Feeds, 2-300 (300A feed and 300B feed) Amp Power Feeds, and 2-400 (400A feed and 400B feed) Amp Power Feeds to the Adjacent Structure from the Central Office Power source. At its option, the Collocator may choose to provide its own AC and DC power to the Adjacent Structure. SBC-13STATE will provide Physical Collocation services to such Adjacent Structures, subject to the same requirements as other collocation arrangements in this Appendix. SBC-13STATE shall permit Collocator to place its own equipment, including, but

not limited to, copper cables, coaxial cables, fiber cables and telecommunications equipment, in adjacent facilities constructed by either SBC-13STATE or the Collocator. Accordingly, SBC-13STATE will not provide Collocator's personnel or agents with direct access to SBC-13STATE's Main Distribution Frame (MDF), with the exception of the SBC-13STATE's Approved Tier 1 Vendor.

- 7.6.1.5.1 Collocator shall be responsible for securing all required licenses and permits, the required site preparations and shall further retain responsibility for securing and/or constructing the Adjacent Structure and any building and site maintenance associated with the placement of such Adjacent Structure.
- 7.6.1.5.2 Regeneration is required for collocation in an Adjacent Structure if the cabling distance between the Collocator's POT bay or termination point located in an adjacent structure and SBC-13STATE's cross-connect bay exceeds American National Standards Institute, Inc. (ANSI) limitations. Regeneration is not required in any other circumstances except where the Collocator specifically requests regeneration. Required regeneration and Collocator-requested regeneration will be provided at the Collocator's expense
- 7.6.1.6 Adjacent Off-Site Arrangement – Where Physical Collocation space within SBC-13STATE Eligible Structure is Legitimately Exhausted, and Collocator's Adjacent On-site space is not within fifty feet (50 ft.) of the Eligible Structure's outside perimeter wall, the Collocator has the option and SBC-13STATE shall permit an Adjacent Structure Off-site Arrangement, to the extent technically feasible.
  - 7.6.1.6.1 The Adjacent Off-site Arrangement is available if the Collocator's site is located on a property that is contiguous to or within one (1) standard city block of the SBC-13STATE Central Office or Eligible Structure.
  - 7.6.1.6.2 Such arrangement shall be used for interconnection and access to UNEs.
  - 7.6.1.6.3 When the Collocator elects to utilize an Adjacent Off-site Arrangement, the Collocator shall provide both the AC and DC power required to operate such facility. The Collocator may provide its own facilities to SBC-13STATE's premises or to a mutually agreeable meet point from its Adjacent Off-site location for interconnection purposes. The Collocator may subscribe to facilities available in the UNE rate schedule of the Collocator's Agreement.
  - 7.6.1.6.4 At the time the Collocator requests this arrangement, the Collocator must provide information as to the location of the Adjacent Off-site facility, the proposed method of interconnection, and the time frame needed to complete provisioning of the arrangement. SBC-13STATE shall provide a response to Collocator within ten (10) days of receipt of the application, including a price quote, provisioning interval, and confirmation of the manner in which the Adjacent Off-site Facility will be interconnected with SBC-13STATE's facilities. SBC-13STATE shall make best efforts to meet the time intervals requested by Collocator and, if it cannot meet the Collocator's proposed deadline, shall provide detailed reasons, as well as proposed provisioning intervals.
  - 7.6.1.7 In the event that interior space in an Eligible Structure becomes available, SBC-13STATE will provide the option to the Collocator to relocate its equipment from an Adjacent On-site or an Adjacent Off-site Facility into the interior space. In the event the Collocator chooses to relocate its equipment into the interior space, appropriate charges applicable for collocation within the Eligible Structure will apply.
  - 7.6.1.8 SBC-13STATE will provide other collocation arrangements that have been demonstrated to be technically feasible. Deployment by any Incumbent LEC of a collocation arrangement gives

rise to a rebuttable presumption in favor of a telecommunications carrier seeking collocation in **SBC-13STATE's** Eligible Structures that such an arrangement is technically feasible.

## 7.7 Construction Inspections

- 7.7.1 During the construction of all forms of Physical Collocation space required under this Appendix, Collocator shall be permitted up to four (4) inspections during the construction in an Eligible Structure during normal business hours with a minimum of two (2) hours advance notification. If the construction interval is extended beyond the agreed upon interval, Collocator will be granted two (2) additional visits per thirty (30) day extension. Requests for construction inspections shall be given to the contact number as specified in this Appendix.
- 7.7.2 Collocator may request that one (1) of its four (4) construction visits take place as an initial walk through and inspection. Within twenty (20) calendar days or mutually agreed upon time, from **SBC-13STATE's** receipt of the confirmatory response in writing for an initial collocation arrangement to continue construction on the Physical Collocation job requested along with the fifty percent (50%) payment of non-recurring charges (unless payment was received with application), Network Sales Support and/or appropriate departments will schedule a walk through visit with the telecommunications carrier and/or vendor to provide floor plans of space and the preliminary route design for the interconnection and power cabling.

## 7.8 Construction Notification

- 7.8.1 **SBC-13STATE** will notify the Collocator prior to the scheduled start dates of all major construction activities (including power additions or modifications) in the general area of the Collocator's Dedicated Space with potential to disrupt the Collocator's services. **SBC-13STATE** will provide such notification to the Collocator at least twenty (20) business days before the scheduled start date of such major construction activity. **SBC-13STATE** will inform the Collocator as soon as practicable by telephone of all emergency-related activities that **SBC-13STATE** or its subcontractors are performing in the general area of the Collocator's Dedicated Space, or in the general area of the AC and DC power plants which support the Collocator's equipment. If possible, notification of any emergency-related activity will be made immediately prior to the start of the activity so that the Collocator may take reasonable actions necessary to protect the Collocator's Dedicated Space.

# 8 ORDERING, PROVISIONING AND BILLING

## 8.1 Space Availability Report

- 8.1.1 So that it may make informed decisions regarding in which **SBC-13STATE** eligible structures it wishes to collocate, a Telecommunications Carrier may request a Space Availability report prior to its application for Collocation Space within **SBC-13STATE's** eligible structures. The report is available on CLEC Online. Fees for such report are as shown in Collocation Rate Summary.
- 8.1.2 **SBC-13STATE** will submit to a requesting Telecommunications Carrier a report indicating **SBC-13STATE's** available collocation space in a particular **SBC-13STATE** Eligible Structure upon request **SBC-13STATE**. This report will specify the amount of collocation space available at each requested Eligible Structure, the number of Collocators, and any modifications in the use of the space since the last report. The report will also include measures that **SBC-13STATE** is taking to make additional space available for collocation. The intervals for delivering the reports are as follows:

Number of Report Requests By One Collocator	Report Delivery Interval
1 - 5	10 Calendar Days
6 - 10	15 Calendar Days
11 - 15	20 Calendar Days
16 - 20	25 Calendar Days

- 8.1.3 Should the Collocator submit twenty-one (21) or more report requests within five (5) business days, the report delivery interval will be increased by five (5) business days for every five (5) additional report requests or fraction thereof.
- 8.1.4 Space Unavailability Determination and Resolution
- 8.1.4.1 **SBC-13STATE** shall notify the Collocator in writing as to whether its request for Physical Collocation has been granted or denied within ten (10) calendar days of submission of the completed application. If SBC needs more time to continue analyzing certain aspects of the request, SBC-13STATE's 10 calendar day notice shall be limited to addressing whether or not SBC has the requested, or designated alternative, amount of appropriate collocation space.
- 8.1.4.2 In responding to an application request if space is not available, **SBC-13STATE** will notify the Collocator that its application for Dedicated Space is denied due to the lack of space within ten (10) calendar days of **SBC-13STATE**'s receipt of a completed application.
- 8.1.4.3 The notification will include a possible future space relief date, if applicable. At that time, any non-recurring charges collected with the application, including the Planning Fee, will be returned to the Collocator.
- 8.1.4.4 **SBC-13STATE** will file a notice that the Collocator's request was denied with the state Commission as appropriate. In the event of a denial, **SBC-13STATE** will concurrently submit to both the appropriate Commission and the Collocator, in support of its denial, provided under seal and subject to proprietary protections: Central Office common language identifier, where applicable, the identity of the requesting Collocator, including amount of space requested by the Collocator, the total amount of space at the premises, floor plan documentation as provided for in the Space Availability Determination section of the Interconnector's Collocation Services Handbook <https://clec.sbc.com/clec>, identification of switch turnaround plans and other equipment removal plans and timelines, if any, Central Office rearrangement/expansion plans, if any, and description of other plans, if any, that may relieve space exhaustion.
- 8.1.4.5 In the event **SBC-13STATE** denies a Collocator's request and the Collocator disputes the denial, the Collocator may request a tour of the Eligible Structure to verify space availability or the lack thereof. The request shall be submitted to **SBC-13STATE**'s designated representative in writing. The inspection tour shall be scheduled within five (5) business days of receipt of the written request for a tour and the tour shall be conducted within ten (10) calendar days of the request or some other mutually agreed on date.
- 8.1.4.6 Prior to the inspection tour, a "Reciprocal Non-disclosure Agreement" shall be signed by the designated **SBC-13STATE** representative and the designated agent for the Collocator, who will participate in the tour.
- 8.1.4.7 **SBC-13STATE** will provide all relevant documentation to the Collocator agent including blueprints and plans for future facility expansions or enhancements, subject to executing the non-disclosure agreement. **SBC-13STATE**'s representative will accompany and supervise the Collocator agent on the inspection tour.
- 8.1.4.8 If the Collocator agent believes, based on the inspection tour of the Eligible Structure facilities, that the denial of Physical Collocation space is insupportable, the Collocator agent shall promptly so advise **SBC-13STATE**. The Collocator and **SBC-13STATE** shall then each concurrently prepare a report detailing its own findings of the inspection tour. The Collocator and **SBC-13STATE** reports shall be concurrently served on each other and submitted to the appropriate Commission no later than forty-five (45) calendar days following the filing of the request for space. The burden of proof shall be on **SBC-13STATE** to justify the basis for any denial of collocation requests.
- 8.1.4.9 **Legitimately Exhausted.** Before **SBC-13STATE** may make a determination that space in an Eligible Structure is legitimately exhausted, **SBC-13STATE** must have removed all unused

obsolete equipment from the Eligible Structure and made such space available for collocation; however, removal of the equipment shall not cause a delay in SBC-13STATE's response to a Collocator's application or in provisioning collocation arrangements. The determination of exhaustion is subject to dispute resolution as provided in Section 8.7 of this Appendix. In making this determination, SBC-13STATE may reserve space for transport equipment for current year plus two (2) years. Additionally, SBC-13STATE may not reserve space for equipment for itself, or advanced or interLATA services affiliates or other affiliates of SBC-13STATE or for future use by SBC-13STATE or its affiliates under conditions that are more favorable than those that apply to other telecommunications carriers seeking to reserve collocation space for their own use. SBC-13STATE may reserve space for Switching, Power, Main Distribution Frame (MDF), and Digital Cross Connect System (DCS) up to anticipated customer growth over a ten (10)-year life expectancy of the ultimate footprint of the equipment.

#### 8.1.5 Application Quotation Interval for Physical Collocation

8.1.5.1 SBC-13STATE will provide Physical Collocation arrangements in Eligible Structures on a "first-come, first-served" basis. To apply for a Dedicated Space in a particular Eligible Structure, the Collocator will provide a completed Physical Collocation application through the Collocation Application Web Portal or via a paper application form found in SBC-13STATE's Interconnector's Collocation Services Handbook (<https://clec.sbc.com/clec>) for Physical Collocation in SBC-13STATE and will pay an initial Planning Fee (see Collocation Rate Summary.) Dedicated Space is not reserved until the quotation is accepted by the Collocator and appropriate fees paid to SBC-13STATE.

8.1.5.1.1 A Collocator wishing SBC-13STATE to consider multiple methods for collocation in an Eligible Structure on a single application will need to include in each application a prioritized list of its preferred methods of collocating, e.g., caged, shared, cageless, or other, as well as adequate information, (e.g., specific layout requirements, cage size, number of bays, requirements relative to adjacent bays, etc.) for SBC-13STATE to process the application for each of the preferred methods. If a Collocator provides adequate information and its preferences with its application, SBC-13STATE would not require an additional application, nor would the Collocator be required to restart the quotation interval should its first choice not be available in an Eligible Structure. If Collocator only wishes SBC-13STATE to consider one collocation method, it need not provide preferences and associated specific information for multiple methods. However, if SBC-13STATE is unable to provide the Collocator's requested collocation method due to space constraints the application will be denied and the initial Planning Fee will be returned. If the Collocator determines the alternative method of collocation meets their needs, the Collocator will be required to submit a new collocation application and pay the initial Planning Fee. Upon receipt of the Collocator's application and initial Planning Fee payment, SBC-13STATE will begin development of the quotation. SBC-13STATE will advise the Collocator in writing of any known deficiencies in its collocation application within ten (10) calendar days (unless multiple applications are received; Section 8.1.5.3 will apply where multiple applications are received). SBC-13STATE will allow the Collocator to retain its place in the collocation queue so long as the Collocator cures the deficiencies and resubmits the application within ten (10) calendar days after being advised of the deficiencies.

8.1.5.2 In responding to an application request, if space is available and all other collocation requirements are met, SBC-13STATE shall advise the Collocator that its request for Physical Collocation is granted, and confirm the applicable non-recurring and recurring rates, and the estimated provisioning interval. SBC-13STATE will not select for Collocator the type of Physical Collocation to be ordered.

8.1.5.2.1 The Collocator has sixty-five (65) calendar days after request for physical collocation is granted to remit a signed confirmation form along with a check for the Planning Fee and fifty percent (50%) of all the applicable non-recurring charges. After sixty-five (65) calendar days, a new application and Planning Fee are required. Space is allocated on a "first come-first served" basis.

8.1.5.3 Should multiple applications be submitted by a Collocator within a ten (10) calendar day period, the following quotation intervals will apply:

Number of Applications by one Collocator	Quotation Interval
1 - 5	10 calendar days
6 - 10	15 calendar days
11 - 15	20 calendar days
16 - 20	25 calendar days

8.1.5.4 Should the Collocator submit twenty-one (21) or more applications within ten (10) calendar days, the response interval will be increased by five (5) business days for every five (5) additional applications or fraction thereof.

#### 8.1.6 Revisions

8.1.6.1 All revisions to an initial request for a Physical Collocation arrangement submitted by the Collocator must be in writing via a new application form.

8.1.6.2 Any major revision to an application will be treated as a new application. A new interval for the Physical Collocation arrangement will be established. A major revision includes, but is not limited to: adding telecommunications equipment that requires additional electrical power; changes in the configuration of the cage; an addition of interconnection cabling; an increase of ten percent (10%) or more of the square footage of the cage area requested; and adding design and engineering requirements above those which SBC-13STATE normally deploys and practices (i.e., redundancy of certain mechanical and electrical systems). The Collocator will be required to pay an additional Planning Fee and applicable non-recurring fees before construction resumes under new intervals.

8.1.6.3 Minor revisions will not require that a new interval be established. Examples of minor revisions include: adding bays of equipment that do not significantly impact the existing/proposed electrical systems; adding light fixtures and outlets which do not exceed the capacity of the existing/proposed electrical system; changes in the configuration of the cage which do not significantly impact the overall design of the space; and adjustments to the heat release projection which do not cause a change in the proposed/existing mechanical system. This list is not all-inclusive. No additional Planning Fees shall be applicable if the revision is minor. All engineering design work that is determined not to be major is deemed to be minor.

#### 8.2 Installation Intervals

##### 8.2.1 Caged Collocation Installation Intervals

8.2.1.1 Dedicated Space for Caged Physical Collocation and Shared Caged Collocation is not reserved until the quotation is accepted by the Collocator. If the available space is not suitable for Central Office equipment (Inactive Space) and must be converted to Active Collocation Space, thirty (30) calendar days will be added to the provisioning interval to allow for the conversion process to be completed. If there are additional problems with the space, SBC-13STATE shall meet the provisioning interval requirements in the waiver granted by the FCC unless the state has different provisions.

8.2.1.2 Dedicated Space is not reserved until SBC-13STATE's receipt of the confirmatory response in writing from the Collocator with applicable fees. Where space suitable for Central Office equipment (Active Collocation Space) is available, SBC-13STATE will deliver Caged Physical



or Shared Caged Physical Collocation within ninety (90) calendar days from the completion of the application process.

- 8.2.1.3 Any material revision to a completed application will be treated as a new application following revision guidelines set forth in Section 8.1.6.

#### 8.2.2 Cageless Physical Collocation Installation Intervals

- 8.2.2.1 Dedicated space for Cageless Physical Collocation is not reserved until the quotation is accepted by the Collocator.

- 8.2.2.2 Where space suitable for Central Office equipment (Active Central Office Space) is available and the request includes DC power capacity greater than fifty (50) amps (2-50 amp feeds), **SBC-13STATE** will deliver Cageless Physical Collocation within ninety (90) calendar days from the completion of the application process (when the Collocator has remitted a signed confirmation form along with a check for fifty-percent (50%) of all applicable non-recurring charges.)

- 8.2.2.2.1 A shorter interval may apply where Collocator installs all of its own bays (See Section 21 below). If the available space is not suitable for Central Office equipment (Inactive Space) and must be converted to Active Collocation Space, thirty (30) calendar days will be added to the provisioning interval to allow for the conversion process to be completed. If there are additional problems with the space, **SBC-13 STATE** shall meet the provisioning interval requirements in the waiver granted by the FCC unless the state has different provisions.

- 8.2.2.2.2 The cageless collocation construction interval ends when roughed in, unterminated DC power and interconnection cabling is provided to the Collocator's collocation area.

- 8.2.2.3 Any material revision to a completed application will be treated as a new application following revision guidelines set forth in Section 8.1.6.

#### 8.2.3 Adjacent Space and Other Physical Collocation Arrangement Installation Intervals

- 8.2.3.1 Installation Intervals for Adjacent Space Collocation and Other Physical Collocation Arrangements as defined in Sections 7.6.1.5 above will be reasonably related to the complexity of accommodating the requested arrangement.

- 8.2.3.2 **SBC-13STATE** will complete construction of Cageless Collocation in Eligible Structures such as CEVs, Huts and Vaults in ninety (90) days from the receipt of the Collocator's acceptance of the quotation along with a check for fifty percent (50%) of all applicable non-recurring charges where **SBC-13STATE** will be installing all or some of the bays, and the Collocator is requesting DC power greater than fifty (50) amps per feed. These construction intervals for Cageless Collocation in Active Collocation Space in a CEV, Hut, or Cabinet Eligible Structure apply where the Collocator is requesting maximum DC power of fifty (50) amps (2-50 amp feeds). For Cageless Collocation in Active Collocation Space in a CEV, Hut, or Cabinet Eligible Structure where a Collocator is requesting DC power greater than fifty (50) amps per feed, **SBC-13STATE** will add thirty (30) calendar days to the provisioning interval.

#### 8.2.4 Reduced Interval Augments

- 8.2.4.1 The intervals set forth in this Section 8.2.4 apply only when **SBC-13STATE** installs interconnection and power cabling. **SBC-13STATE** will provide a reduced interval for Collocator with existing Physical Collocation space when it requests the following interconnection augments for that existing space. The Collocator must submit to **SBC-13STATE**'s Collocation Service Center (CSC) a complete and accurate application, along with a copy of the payment invoice for a subsequent job. For a reduced build-out interval to apply, this application must include an up-front payment of the non-recurring Planning Fee from the Collocation Rate Summary and fifty percent (50%) of non-recurring charges. In addition, the

application must include an accurate front equipment view (a.k.a. rack elevation drawing) specifying bay(s) for the Collocator's point of termination. Applications received with the up-front payment and meeting the criteria below will not require a quote.

- 8.2.4.1.1 A sixty (60) calendar day interval will apply only when the Collocator requests any of the following augments; 1) SBC-13STATE will perform a cage expansion of three hundred (300) square feet or less immediately adjacent to Collocator's existing cage within the collocation area (where Overhead Iron/Racking exists) and as long as the collocation area does not have to be reconfigured and does not involve HVAC work, 2) power cable additions to accommodate greater DC amperage requests within existing power panels, 3) direct cable pull within the same collocation area on the same floor between one Collocator and another Collocator provided the Collocator is interconnected with SBC-13STATE's network, 4) interconnection cable arrangements (where Overhead Iron/Racking are existing) limited up to and not more than the following quantities; four-hundred (400) shielded copper cable pairs up to four-hundred (400) feet, one hundred sixty-eight (168) DS1s, 48 DS3s, and fiber interconnections up to twelve (12) fiber pairs up to four hundred (400) feet.

## 8.2.5 Other Augments

- 8.2.5.1 Other augments such as power requests that exceed current capacity ratings, additional bay spaces, SBC-13STATE bays, SBC-13STATE cable racks and/or cage expansions within Active Collocation Space different than described above will require the Collocator to submit an inquiry for quote. The price quote will contain the charges and the construction interval for that application.

- 8.2.5.1.1 The construction interval for these other augments will not exceed ninety (90) days. SBC-13STATE will work cooperatively with Collocator to negotiate a mutually agreeable construction interval for other augments not specifically provided for above.

- 8.2.5.1.2 The second fifty percent (50%) payment must be received by SBC-13STATE no later than one (1) week prior to the scheduled augment completion date. If all money has been received on the scheduled completion date, the Actual Point of Termination (APOT) Connections will be provided to the Collocator by SBC-13STATE.

- 8.2.5.1.3 During SBC-13STATE delivery interval, if engineering design work is complete, which includes asbestos removal, HVAC installation, filtration, floor loading, floor preparation, overhead racking placement, and one hundred percent (100%) of the non-recurring charges have been received by SBC-13STATE, Collocator and/or their SBC-13STATE Approved Tier 1 Vendor (s) may request SBC-13STATE to do work in parallel with SBC-13STATE throughout the remaining delivery interval. The Collocator must obtain an approved Method of Procedures (MOP) from SBC-13STATE and follow SBC-13STATE's Technical Publications for installation of equipment and facilities. Security Card requirements in Section 18.3.6 of this Appendix will apply.

## 8.3 Cancellation Prior to Due Date

- 8.3.1 In the event that the Collocator cancels its collocation application after SBC-13STATE has begun preparation of the Telecommunications Infrastructure Space and Dedicated Space, but before SBC-13STATE has been paid the entire amounts due under this Appendix, then in addition to other remedies that SBC-13STATE might have, the Collocator shall be liable in the amount equal to the non-recoverable costs less estimated net salvage, the total of which is not to exceed the Preparation Charges. Non-recoverable costs include the non-recoverable cost of equipment and material ordered, provided or used; the non-recoverable cost of installation and removal, including the costs of equipment and material ordered, provided or used; labor; transportation and any other associated

costs. Upon Collocator's request, SBC-13STATE will provide the Collocator with a detailed invoice showing the costs it incurred associated with preparation.

#### 8.4 Occupancy

8.4.1 Unless there are unusual circumstances, SBC-13STATE will notify the Collocator that the Dedicated Space is ready for occupancy within five (5) business days of SBC-13STATE completion of preparation of the Dedicated Space.

8.4.1.1 Upon Collocator's receipt of such notice, SBC-13STATE and the requesting Collocator shall, upon Collocator's request, conduct an acceptance walk-through of such space. The Collocator shall schedule the acceptance walk-through on a mutually agreed upon date within ten (10) *Calendar Days of the scheduled Completion date. Any material deviations from mutually agreed application specifications may be noted by Collocator as exceptions, which shall be mutually agreed to as exceptions by SBC-13STATE. These exceptions shall be corrected by SBC-13STATE as soon as commercially reasonable after those exceptions are provided in writing, which exceptions shall be provided no more than five (5) calendar days after the walk-through. The correction of these exceptions shall be at SBC-13STATE's expense.*

8.4.1.2 Upon completion of such corrections, SBC-13STATE will again notify the Collocator that the Dedicated Space is ready for occupancy and the Parties will, upon Collocator's request, conduct another walk-through as set forth in this Section. If an acceptance walk-through is not timely requested by Collocator, the completion date for the space shall be deemed to be the Delivery Date. If an acceptance walk-through is requested, but no material exceptions are provided at the walk-through, the Delivery Date will be deemed to be the date of the acceptance walk-through. If an acceptance walk-through is requested, and material exceptions are noted at the walk-through, the Delivery Date will be deemed to be the date upon which Collocator accepts all corrections to such exceptions, which acceptance shall not be unreasonably withheld.

8.4.1.3 All charges will begin to accrue on the Effective Billing Date, regardless of any failure by Collocator to complete its work or occupy the space.

8.4.2 Collocator will, whenever possible, place its telecommunications equipment in the Physical Collocation Space within thirty (30) calendar days of space turnover. Operational telecommunications equipment must be placed in the Dedicated Space and interconnect to SBC-13STATE's network or obtain access to SBC-13STATE UNEs within one hundred eighty (180) days after receipt of such notice, that SBC-13STATE has completed its work as required by the complete and accurate Collocation application.

8.4.2.1 In the event that SBC-13STATE has refused to interconnect with the Collocator, the one hundred eighty (180) day deadline shall be extended until SBC-13STATE allows the Collocator to interconnect. SBC-13STATE, however, may extend beyond the one hundred eighty (180) days provided the Collocator demonstrates a best effort to meet that deadline and shows that circumstances beyond its reasonable control prevented the Collocator from meeting that deadline.

8.4.2.2 Orders for additional space will not be accepted until the Collocator's existing Physical Collocation Space in the requested Eligible Structure is "efficiently used" except to the extent the Collocator establishes to SBC's satisfaction that the Collocator's apparent inefficient use of space is caused by the CLEC holding unused space for future use on the same basis that SBC holds unused space for future use Orders for additional Connecting Facility Assignments (CFAs) will not be accepted until the specific CFA type requested (i.e. DS0, DS1, fiber, etc.) in the requested Eligible Structure is "efficiently used."

8.4.2.2.1 For purposes of this Appendix, "efficiently used" space means the Collocator is using between sixty (60) and one hundred percent (100%) of the Collocator's existing collocation space arrangement, caged or cageless, in a particular Eligible Structure.

The determination as to whether this criterion is met or necessary is solely within the reasonable judgment of SBC-13STATE.

8.4.2.2.2 For purposes of this Appendix, "efficiently used" CFA means that at least sixty percent (60%) of the Collocator's specific type of CFA (cable pairs, coaxial or fiber facilities) requested is currently being used for the purpose of interconnecting to SBC-13STATE's network for the transmission and routing of telephone exchange service or exchange access. The determination as to whether this criterion is met or the use is necessary is solely within the reasonable judgment of SBC-13STATE.

8.4.3 If the Collocator fails to place its equipment in the Dedicated Space per Section 8.4.2 and the unused collocation space is needed to meet customer demand (filed application for space, accompanied by all fees) for another Collocator or to avoid construction of a building addition, collocation in the prepared Dedicated Space is terminated on the tenth (10<sup>th</sup>) business day after SBC-13STATE provides the Collocator with written notice of such failure and the Collocator does not place operational telecommunications equipment in the Dedicated Space and interconnect with SBC-13STATE or obtain access to SBC-13STATE UNEs by that tenth (10<sup>th</sup>) business day. In any event, the Collocator shall be liable in an amount equal to the unpaid balance of the applicable charges.

8.4.4 For purposes of this Section, the Collocator's telecommunications equipment is considered to be operational and interconnected when connected to either SBC-13STATE's network or interconnected to another Collocator's equipment that resides within the same structure, provided the Collocator's equipment is used for interconnection with SBC-13STATE's network or to obtain access to SBC-13STATE's UNEs, for the purpose of providing this service.

8.4.5 If the Collocator causes SBC-13STATE to prepare the Dedicated Space and then the Collocator does not use the Dedicated Space (or all the Dedicated Space), the Collocator will pay SBC-13STATE the monthly recurring and other applicable charges as if the Collocator were using the Dedicated Space, until such time as the Collocator submits a complete and accurate decommissioning application, and the decommissioning process is completed as required.

## 8.5 Relocation

8.5.1 When SBC-13STATE determines because of zoning changes, condemnation, or government order or regulation that it is necessary for the Dedicated Space to be moved within an Eligible Structure to another Eligible Structure, from an adjacent space collocation structure to a different adjacent space collocation structure, or from an adjacent space collocation structure to an Eligible Structure, the Collocator is required to move its Dedicated Space or adjacent space collocation structure. SBC-13STATE will notify the resident Collocator(s) in writing within five (5) days of the determination to move the location. If the relocation occurs for reasons other than an emergency, SBC-13STATE will provide the resident Collocator(s) with at least one hundred eighty (180) days advance written notice prior to the relocation. If the Collocator is required to relocate under this Section, the Collocator will not be required to pay any application fees associated with the application required for arranging for new space. The Collocator shall be responsible for the costs for the preparation of the new telecommunications equipment space and Dedicated Space at the new location or an adjacent space collocation structure if such relocation arises from circumstances beyond the reasonable control of SBC-13STATE, including zoning changes, condemnation or government order or regulation that makes the continued occupancy or use of the Dedicated Space or the Eligible Structure in which the Dedicated Space is located or the adjacent space collocation structure for the purpose then used, uneconomical in SBC-13STATE's reasonable discretion. In addition, a Collocator's presence in SBC-13STATE Central Offices or adjacent space collocation structures should not prevent SBC-13STATE from making a reasonable business decision regarding building expansions or additions the number of Central Offices required to conduct its business or its locations.

8.5.2 If SBC-13STATE determines that a Collocator must relocate due to any of the above reasons, SBC-13STATE will make all reasonable efforts to minimize disruption of the Collocator's services. In

addition, the costs of the move will be shared equally by **SBC-13STATE** and the Collocator, unless the Parties agree to a different financial arrangement.

- 8.5.3 If the Collocator requests that the Dedicated Space be moved within the Eligible Structure in which the Dedicated Space is located, to another Eligible Structure, from an adjacent space collocation structure to a different adjacent space collocation structure or to an Eligible Structure, **SBC-13STATE** shall permit the Collocator to relocate the Dedicated Space or adjacent space collocation structure, subject to availability of space and technical feasibility. The Collocator shall be responsible for all applicable charges associated with the move, including the reinstallation of its equipment and facilities and the preparation of the new telecommunications equipment space, and Dedicated Space, or adjacent space collocation structure as applicable. In any such event, the new Dedicated Space shall be deemed the Dedicated Space and the new Eligible Structure (where applicable) shall be deemed the Eligible Structure in which the Dedicated Space is located and the new adjacent space collocation structure shall be deemed the adjacent space collocation structure.

- 8.5.3.1 **SBC-13STATE** shall maintain a publicly available document for viewing on the Internet at <https://clec.sbc.com/clec> indicating its Eligible Structures, if any, that have no space available for Physical Collocation. **SBC-13STATE** will update this document within ten (10) calendar days of the date at which an Eligible Structure runs out of Physical Collocation space.

- 8.5.3.2 **SBC-13STATE** will remove obsolete unused equipment from its Eligible Structures that have no space available for Physical Collocation upon reasonable request by a Collocator or upon order of the appropriate Commission. **SBC-13STATE** shall reserve space for switching, MDF and DCS to accommodate access line growth.

## 8.6 Early Termination

### 8.6.1 Payment Upon Expiration or Termination.

In the case of the expiration or termination of this Appendix prior to term, or the early termination of any collocation services or arrangement(s), pursuant to Section 8.6.2 of this Appendix **SBC-13STATE** shall be entitled to full payment within thirty (30) days of such expiration or termination for all services performed and expenses accrued or incurred that **SBC-13STATE** is entitled to recover under the provisions of this Appendix for establishing such Collocation arrangement prior to such expiration or termination.

- 8.6.2 If Collocator cancels or abandons its collocation space in any of **SBC-13STATE**'s central offices before **SBC-13STATE** has recovered the full cost associated with providing that space to the Collocator, the amount of any such remaining costs shall become immediately due and payable within thirty (30) days after the Collocator abandons that space.

## 8.7 Dispute Resolution

### 8.7.1 Commencing Dispute Resolution

- 8.7.2 Dispute Resolution shall commence upon one Party's receipt of written notice of a controversy or claim arising out of or relating to this Appendix or its breach. No Party may pursue any claim unless such written notice has first been given to the other Party. There are three (3) separate Dispute Resolution methods:

- 8.7.2.1 Collocation Service Center and Collocation Account Manager;
- 8.7.2.2 Informal Dispute Resolution; and
- 8.7.2.3 Formal Dispute Resolution, each of which is described below.

## 8.8 Non-billing Dispute

- 8.8.1 In the event of a bona fide dispute between a Collocator and **SBC-13STATE**, Collocator shall include in written notice referenced in Section 8.7.2 above the following information: (a) the Central Office involved in the controversy, (b) the date controversy occurred, (c) detailed description of the

controversy, (d) along with any and all documentation from both Parties. Failure to provide the information required by this Section not later than twenty-nine (29) days following the initial submission of the controversy, shall constitute Collocator's irrevocable and full waiver of its right to file a dispute.

8.8.2 Upon receipt by SBC-13STATE of written notice of a controversy from Collocator made in accordance with the requirements of Section 8.7.2 of this Appendix, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Appendix. The location, form, frequency, duration and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of resolution are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or any lawsuit.

8.8.3 If the Parties are unable to resolve the controversy through the informal procedure described in Section 8.8.2 of this Appendix, then either Party may invoke the formal dispute resolution procedures described in this Section of this Appendix. Unless agreed by both Parties, formal dispute resolution procedures, including arbitration or other procedures as appropriate, may be invoked not earlier than thirty (30) calendar days after receipt of the notice initiating dispute resolution required by Section 8.7.2 of this Appendix and not later than ninety (90) calendar days after receipt of the notice initiating dispute resolution required by Section 8.7.2 of this Appendix.

## 8.9 Billing

8.9.1 Billing shall occur once a month, with remittance in full of all bills rendered within thirty (30) calendar days of the bill date. SBC-13STATE may change its billing date practices upon thirty (30) day's notice to the Collocator.

### 8.9.2 Billing Dispute Resolution

8.9.2.1 In the event of a bona fide dispute between a Collocator and SBC-13STATE regarding any bill for anything ordered from this Appendix, Collocator shall, prior to the Bill Due Date, give written notice to SBC-13STATE of the amounts it disputes ("Disputed Amounts") and include in such written notice the following information: (a) the date of the bill in question, (b) the Billing Account Number (BAN) number of the bill in question, (c) any USOC information questioned, (d) the amount billed, (e) the amount in question and (f) the reason that Collocator disputes the billed amount. To be deemed a "dispute" under this Section 8.9.2, Collocator must provide proof (in the form of a copy of the executed written agreement with the financial institution) that it has established an interest bearing escrow account that complies with all of the requirements set forth in Section 8.9.3 of this Appendix and proof (in the form of deposit slip(s)) that Collocator has deposited all unpaid charges into that escrow account. Failure to provide the information and proof of compliance and deposit required by this Section not later than twenty-nine (29) days following the Bill Due Date shall constitute Collocator's irrevocable and full waiver of its right to dispute the subject charges.

### 8.9.3 Third Party Escrow Agent

8.9.3.1 Collocator shall pay all undisputed amounts to SBC-13STATE when due and shall pay all Disputed Amounts when due 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:

8.9.3.1.1 The financial institution proposed as the Third Party escrow agent must be located within the continental United States;

- 8.9.3.1.2 The financial institution proposed as the Third Party escrow agent may not be an affiliate of Collocator; and
- 8.9.3.1.3 The financial institution proposed as the Third Party escrow agent must be authorized to handle Automatic Clearing House (ACH) (credit transactions) (electronic funds) transfers.
- 8.9.3.1.4 In addition to the foregoing requirements for the Third Party escrow agent, the Collocator and the financial institution proposed as the Third Party escrow agent must enter into a written agreement that the escrow account meets all of the following criteria:
  - 8.9.3.1.5 The escrow account is an interest bearing account;
- 8.9.3.2 All charges associated with opening and maintaining the escrow account will be borne by the Collocator; 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; all interest earned on deposits to the escrow account shall be disbursed to Collocator and SBC-13STATE in the same proportion as the principal; and Disbursements from the escrow account shall be limited to those: authorized in writing by both Collocator and SBC-13STATE (that is, signature(s) from representative(s) of Collocator only are not sufficient to properly authorize any disbursement); or made in accordance with the final, non-appealable order of the arbitrator appointed pursuant to the provisions of Section 8.9.8 of this Appendix; or made in accordance with the final, non-appealable order of the court that had jurisdiction to enter the arbitrator's award pursuant to Section 8.9.8 of this Appendix.
- 8.9.4 Disputed Amounts
  - 8.9.4.1 Disputed Amounts in escrow shall be subject to Late Payment Charges as set forth in Section 8.9 of this Appendix.
- 8.9.5 Investigation Report
  - 8.9.5.1 Upon receipt of the notice and both forms of proof required by Section 8.9.2 of this Appendix, SBC-13STATE shall make an investigation as shall be required to report the results to the Collocator. Provided that Collocator has furnished all of the information and proof required by Section 8.9.2 on or before the Bill Due Date, SBC-13STATE will report the results of its investigation within sixty (60) calendar days following the Bill Due Date. If the Collocator is not satisfied by the resolution of the billing dispute under this Section 8.9.2 of this Appendix, the Collocator must notify SBC-13STATE in writing within thirty (30) days following receipt of the results of SBC-13STATE's investigation that it wishes to invoke the informal resolution of billing disputes afforded under Section 8.9.6 of this Appendix.
- 8.9.6 Informal Resolution of Billing Disputes
  - 8.9.6.1 Upon receipt by SBC-13STATE of written notice of a billing dispute from Collocator made in accordance with the requirements of Section 8.9.2 of this Appendix, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any billing dispute arising under this Appendix. The location, form, frequency, duration and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of resolution are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or any lawsuit.

## 8.9.7 Formal Resolution of Billing Disputes

- 8.9.7.1 If the Parties are unable to resolve the billing dispute through the informal procedure described in Section 8.9.6 of this Appendix, then either Party may invoke the formal dispute resolution procedures described in this Section 8.9.7 of this Appendix. Unless agreed by both Parties, formal dispute resolution procedures, including arbitration or other procedures as appropriate, may be invoked not earlier than sixty (60) calendar days after receipt of the notice initiating dispute resolution required by Section 8.9.6 of this Appendix and not later than one hundred eighty (180) calendar days after receipt of the notice initiating dispute resolution required by Section 8.9.6 of this Appendix.
- 8.9.7.2 Billing Disputes Subject to Mandatory Arbitration – If not settled through informal dispute resolution, each unresolved billing dispute involving one percent (1%) or less of the amounts charged to Collocator under this Appendix during the twelve (12) months immediately preceding receipt of the notice initiating Dispute Resolution required by Section 8.9.6 of this Appendix will be subject to mandatory arbitration in accordance with Section 8.9.8 of this Appendix, below. If the Collocator has not been billed for a minimum of twelve (12) months immediately preceding receipt of the notice initiating Dispute Resolution required by Section 8.9.6 of this Appendix, the Parties will annualize the actual number of months billed.
- 8.9.7.3 Billing Disputes Subject to Elective Arbitration – If not settled through informal dispute resolution, each unresolved billing dispute involving more than one percent (1%) of the amounts charged to Collocator under this Appendix during the twelve (12) months immediately preceding receipt of the notice initiating Dispute Resolution required by Section 8.9.6 of this Appendix will be subject to elective arbitration pursuant to Section 8.9.8 if, and only if, both Parties agree to arbitration. If the Collocator has not been billed for a minimum of twelve (12) months immediately preceding receipt of the notice initiating Dispute Resolution required by Section 8.9.6 of this Appendix, the Parties will annualize the actual number of months billed. If both Parties do not agree to arbitration, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanism.

## 8.9.8 Arbitration

- 8.9.8.1 Disputes subject to mandatory or elective arbitration under the provisions of this Appendix 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. The arbitrator shall be knowledgeable of telecommunications issues. Each arbitration will be held in a mutually agreed upon location. The arbitration hearing will be requested to commence within sixty (60) calendar days of the demand for arbitration.
- 8.9.8.2 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 Federal Arbitration Act, 9 U.S.C. Sections. 1-16, not state law, shall govern the arbitration of all disputes. The arbitrator will have no authority to award punitive damages, exemplary damages, consequential damages, multiple damages, or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Appendix.
- 8.9.8.3 The times specified in this Section 8.9.8 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, including attorneys' fees. The Parties will equally split the fees of the arbitration and the arbitrator. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. The Parties may submit the arbitrator's award to a Commission. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.



#### 8.9.9 Cooperation Between Parties

8.9.9.1 Immediately upon resolution of any billing dispute, SBC-13STATE and the Collocator shall cooperate to ensure that all of the following actions are taken within the time(s) specified:

8.9.9.1.1 SBC-13STATE shall credit Collocator's bill for any portion of the Disputed Amount(s) resolved in favor of Collocator, together with any portion of any Late Payment Charges assessed with respect thereto no later than the second Bill Due Date after the resolution of the dispute; within fifteen (15) calendar days after resolution of the dispute, any portion of the escrowed Disputed Amounts resolved in favor of the Collocator shall be disbursed to Collocator by the Third Party escrow agent, together with any interest accrued thereon; within fifteen (15) calendar days after resolution of the dispute, any portion of the Disputed Amounts resolved in favor of SBC-13STATE shall be disbursed to SBC-13STATE by the Third Party escrow agent, together with any interest accrued thereon; and no later than the third Bill Due Date after the resolution of the dispute regarding the Disputed Amount(s), the Collocator shall pay SBC-13STATE any difference between the amount of accrued interest SBC-13STATE received from the escrow disbursement and the amount of Late Payment Charges SBC-13STATE billed and is entitled to receive pursuant to Section 8.9 of this Appendix.

#### 8.9.10 Failure to Make Payment

8.9.10.1 Failure by the Collocator to pay any charges determined to be owed to SBC-13STATE within the time specified in Section shall be grounds for immediate re-entry and termination of services provided under this Appendix.

#### 8.10 Late Payment Charge

8.10.1 If the Collocator fails to remit payment for any charges by the Bill Due Date, or if a payment or any portion of a payment is received from Collocator after the Bill Due Date, or if a payment or any portion of a payment is received in funds which are not immediately available to SBC-13STATE as of the Bill Due Date, then a late payment charge shall be assessed as follows: the unpaid amounts shall accrue interest from the Bill Due Date until paid at the lesser of (i) one and one-half percent (1 ½%) per month and (ii) the highest rate of interest that may be charged under Applicable State Law, compounded daily from the day following the Bill Due Date to and including the date that the payment is actually made and is available.

#### 8.11 Allowances for Interruptions

8.11.1 An interruption period begins when an inoperative condition of a Physical Collocation arrangement is reported to SBC-13STATE's designated contact point and ends when the Physical Collocation arrangement is operative and reported to the Collocator's designated contact. A credit allowance will be made to the Collocator where the interruption is due to the actions or negligence of SBC-13STATE.

8.11.2 When a credit allowance does apply, such credit will be determined based on the monthly recurring rates applicable to the specific item(s) causing the interruption; however, the credit allowance for an interruption or for a series of interruptions shall not exceed the applicable monthly recurring rate for the item(s) involved.

8.11.3 For calculating credit allowances, every month is considered to have thirty (30) days. No credit shall be allowed for an interruption of less than thirty (30) minutes. The Collocator shall be credited for an interruption of thirty (30) minutes or more at the rate of 1/1440 of the monthly recurring rate.

8.11.4 A credit allowance will not apply to any interruption of the items maintained and repaired by the Collocator or the Collocator's third Party vendor.

## 9. FIBER OPTIC CABLE AND DEMARCATION POINT

### 9.1 Fiber Optic Cable Entrances

- 9.1.1 The Collocator shall use a dielectric fire retardant fiber cable as the transmission medium to the Dedicated Space or, where technically and structurally feasible, may use microwave. Collocation requests utilizing facilities other than fiber will be provided as an Individual Case Basis (ICB). SBC-13STATE will only permit copper or coaxial cable as the transmission medium where the Collocator can demonstrate to SBC-13STATE that use of such cable will not impair SBC-13STATE's ability to service its own customers or subsequent Collocators.
- 9.1.2 SBC-13STATE shall provide a minimum of two separate points of entry into the Eligible Structure, where applicable, in which the Dedicated Space is located wherever there are at least two entry points for SBC-13STATE cable. SBC-13STATE will also provide nondiscriminatory access to any entry point into Eligible Structures in excess of two (2) points in those locations where SBC-13STATE also has access to more than two such entry points. Where such dual points of entry are not immediately available, SBC-13STATE shall perform work as is necessary to make available such separate points of entry for the Collocator at the same time that it makes such separate points of entry available for itself. In each instance where SBC-13STATE performs such work in order to accommodate its own needs and those specified by the Collocator in the Collocator's written request, the Collocator and SBC-13STATE shall share the costs incurred by prorating those costs using the number of cables to be placed in the entry point by both SBC-13STATE and the Collocator(s).
- 9.1.3 The Collocator is responsible for bringing its facilities to the entrance manhole(s) designated by SBC-13STATE, and leaving sufficient length of the cable in the manhole for SBC-13STATE to fully extend the Collocator-provided facilities through the cable vault to the Dedicated Space. If Collocator has not left the cable in the manhole within one hundred twenty (120) calendar of the request for entrance fiber, the Collocator's request for entrance fiber will expire and a new request must be submitted along with applicable fees. The Collocator must notify SBC-13STATE no later than fifteen (15) calendar days prior to the end of the 120 day period, for an additional thirty (30) day extension to place cable at the manhole.

### 9.2 Demarcation Point

- 9.2.1 The demarcation point is the end of the SBC 13-STATE provided interconnection cable at the Collocation arrangement. (CDOW- SBC owned frame location as assigned to the Collocator.)

## 10. USE OF DEDICATED SPACE

### 10.1 Nature of Use – Collocatable Equipment

- 10.1.1 In accordance with Section 251(c)(6) of the Act, the Collocator may collocate equipment for Physical Collocation if such equipment is necessary for interconnection to SBC-13STATE under 47.U.S.C. § 251(C) (2) or accessing SBC-13STATE's UNEs under 47.U.S.C. § 251(C) (3) of the Act. Such uses are limited to interconnection to SBC-13STATE's network "for the transmission and routing of Telephone Exchange service or Exchange Access," or for access to SBC-13STATE's UNEs "for the provision of a telecommunications service."
- 10.1.2 Equipment is necessary for interconnection if an inability to deploy that equipment would, as a practical, economic, or operations matter, preclude the Collocator from obtaining interconnection with SBC-13STATE at a level equal in quality to that which SBC-13STATE obtains within its own network or SBC-13STATE provides to an affiliate, subsidiary, or other party. Equipment is necessary for access to an unbundled network element if an inability to deploy that equipment would, as a practical, economic, or operational matter, preclude the Collocator from obtaining non-discriminatory access to that unbundled network element, including any of its features, functions, or capabilities.
- 10.1.3 Multi-functional equipment shall be deemed necessary for interconnection or access to an unbundled network element if and only if the primary purpose and function of the equipment, as the Collocator

seeks to deploy it, meets either or both of the standards set forth above in this Section. For a piece of equipment to be utilized primarily to obtain equal in quality interconnection or non-discriminatory access to one or more unbundled network elements, there also must be a logical nexus between the additional functions the equipment would perform and the telecommunication services the Collocator seeks to provide to its customers by means of the interconnection or unbundled network element. The collocation of those functions of the equipment that, as stand-alone functions, do not meet either of the standards set forth above in this Section must not cause the equipment to significantly increase the burden of SBC-13STATE's property.

- 10.1.4 SBC-13STATE voluntarily allows Collocator to place ancillary equipment and facilities, including cross-connect and other simple frames, routers, portable test equipment, equipment racks and bays, and other ancillary equipment and facilities on a non-discriminatory basis only if SBC-13STATE and Collocator mutually agree to such placement, in SBC-13STATE's premises solely to support and be used with equipment that the Collocator has legitimately collocated in the same premises.
- 10.1.5 SBC-13STATE does not assume any responsibility for the installation, furnishing, designing, engineering, or performance of the Collocator's equipment and facilities.
- 10.1.6 When the Collocator's Physical Collocation arrangement is within the Eligible Structure, the Collocator may not provide its own DC power plant equipment (with rectifiers or chargers and batteries) or AC power backup equipment (e.g., Uninterruptable Power System with batteries, or standby engine). SBC-13STATE will provide the necessary backup power to ensure against power outages.
- 10.1.7 Consistent with the environment of the Dedicated Space, the Collocator shall not use the Dedicated Space for office, retail, or sales purposes. No signage or marking of any kind by the Collocator shall be permitted on the Eligible Structure in which the Dedicated Space is located or on SBC-13STATE grounds surrounding the Eligible Structure in which the Dedicated Space is located. The Collocator may place signage and markings on the inside of its dedicated space.

## 10.2 Equipment List

- 10.2.1 A list of all the equipment and facilities that the Collocator will place within its Dedicated Space must be included on the application for which the Dedicated Space is prepared including the associated power requirements, floor loading, and heat release of each piece. The Collocator's equipment and facilities shall be compliant with the standards set out in Section 12.1, Minimum Standards, following. The Collocator warrants and represents that the list is complete and accurate, and acknowledges that any incompleteness or inaccuracy would be a violation of the rules and regulations governing this Appendix. The Collocator shall not place or leave any equipment or facilities within the Dedicated Space not included on the list without the express written consent of SBC-13STATE, which consent shall not be unreasonably withheld.

### 10.2.2 Subsequent Requests to Place Equipment

- 10.2.2.1 The Collocator shall furnish SBC-13STATE a written list in the form of an attachment to the original equipment list for the subsequent placement of equipment in its Dedicated Space. When the Collocator's equipment is not listed in the approved All Equipment List (AEL) the equipment will be reviewed by SBC-13STATE and written approval or denial of the equipment will be forwarded to the Collocator.

### 10.2.3 Limitations

- 10.2.3.1 SBC-13STATE's obligation to purchase additional plant or equipment, relinquish occupied space or facilities, to undertake the construction of new building quarters or to construct building additions or substantial improvements to the central office infrastructure of existing quarters in order to satisfy a request for space or the placement of additional equipment or facilities by a Collocator, is limited to the extent that SBC-13STATE would undertake such additions, modifications or construction on its own behalf, on behalf of any subsidiary or