ATTACHMENT 12: COMPENSATION

1.0 INTRODUCTION

SBC MISSOURI agrees to comply with all generic Missouri Commission reciprocal compensation decisions regarding internet service traffic subject to the final outcome of appeals of those decisions and the reciprocal compensation selected by the CLEC under this Agreement. Both parties, however, reserve all rights to contest any order or decision requiring the payment of reciprocal compensation for internet service traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval. SWBT will make available to a CLEC that is similarly situated to another ILEC or CLEC (*i.e.*, similar traffic types and the same geographic areas as defined by rate centers) each compensation arrangement for serving customers in optional or mandatory, one way or two way EAS, area serviced by such ILEC or CLEC similar to the corresponding arrangement that SWBT has with that ILEC or CLEC for serving those customers provided the CLEC adopts the agreement containing the compensation arrangement in its entirety, taking all rates, terms, and conditions from the adopted agreement. Nothing in this Attachment shall constitute an admission by SBC MISSOURI that ISP-Bound Traffic (as defined in Section 1.2) is in fact Section 251(b)(5) Traffic (as defined below) subject to reciprocal compensation under the 1996 Federal Telecommunications Act.

1.1 For purposes of compensation under this Agreement, the telecommunications traffic traded between CLEC and SBC MISSOURI will be classified as either Section 251(b)(5) Traffic, ISP-Bound Traffic**,** IntraLATA Interexchange Traffic, InterLATA Interexchange Traffic, Meet Point Billing, FGA Traffic, FX Traffic (Virtual, Dedicated and FX-type)or Cellular Traffic. The compensation arrangement for the joint provision of Feature Group A (FGA) Services is covered in Appendix FGA, attached hereto and incorporated by reference. The Parties agree that, notwithstanding the classification of traffic under this Agreement, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users. However, either party providing Metropolitan Calling Area (MCA) service shall offer the full calling scope prescribed in Case No. TO-92-306, without regard to the identity of the called party's local service provider. The parties may offer additional toll-free outbound calling or other services in conjunction with MCA service, but in any such offering the party shall not identify any calling scope other than that prescribed in Case No. TO-92-306 as "MCA" service. The provisions of this Attachment apply to calls originated over the originating carrier's facilities or over local switching purchased by CLEC from SBC MISSOURI on a wholesale basis**.** The provisions of this Attachment do not apply to traffic originated over services provided under local Resale services, except the parties shall recognize those calls as MCA calls where appropriate.

1.2 Calls originated by CLEC's end users and terminated to SBC MISSOURI's end users (or vice versa) will be classified as "Section 251(b)(5) Traffic under this Agreement –subject to reciprocal compensation if the call: (i) originates and terminates to such end-users in the same SBC MISSOURI exchange area; or (ii) originates and terminates to such end-users within different SBC MISSOURI Exchanges that share a common mandatory local calling area, *e.g.*, mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other like types of mandatory expanded local calling scopes. Calls originated by SBC MISSOURI's end users and terminated to an ISP served by a CLEC (or vice versa) will be classified as compensable "ISP-Bound Traffic" in accordance with the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April 27, 2001) (FCC ISP Compensation Order") if the call (i) originates from end users and terminates to an ISP in the same SBC MISSOURI exchange area; or (ii) originates from end users and terminates to an ISP within different SBC MISSOURI Exchanges that share common mandatory local calling area, as defined in SBC MISSOURI's tariff, e.g., mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other like types of mandatory expanded local calling scopes.

1.3 For compensation purposes in the state of Missouri, Section 251(b)(5) Traffic and ISP-Bound Traffic shall be further **DEFINED AS "METROPOLITAN CALLING AREA (MCA) TRAFFIC" AND "NON-MCA TRAFFIC." MCA TRAFFIC IS TRAFFIC ORIGIN**ated by a party providing a local calling scope plan pursuant to the Missouri Public Service Commission Orders in Case No. TO-92-306 and Case No. TO-99-483 (MCA Orders) and the call is a Section 251(b)(5) Traffic based on the calling scope of the originating party pursuant to the MCA Orders. Non-MCA Traffic is all Section 251(b)(5) Traffic and ISP-Bound Traffic that is not defined as MCA Traffic.

1.3.1 Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, MCA Traffic shall be exchanged on a bill-and-keep intercompany compensation basis meaning that the party originating a call defined as MCA Traffic shall not compensate the terminating party for terminating the call.

1.3.2 The parties agree to use the Local Exchange Routing Guide (LERG) to provision the appropriate MCA NXXs in their networks. The LERG should be updated in accordance with industry standards for opening a new code to allow the other party the ability to make the necessary network modifications. If the Commission orders the parties to use an alternative other than the LERG, the parties will comply with the Commission's final order.

1.3.3 If CLEC provides service via resale or in conjunction with ported numbers, the appropriate MCA NXXs will be updated by SBC MISSOURI.

1.4 CLECs are not precluded from establishing their own local calling areas or prices for purpose of retail telephone service offerings.

1.4.1 The transport and termination compensation for Virtual FX, Dedicated FX, and FX-type Traffic will be "Bill and Keep."

Foreign Exchange (FX) services are retail service offerings purchased by FX customers which allow such FX customers to obtain exchange service from a mandatory local calling area other than the mandatory local calling area where the FX customer is physically located. FX service enables particular end-user customers to avoid what might otherwise be toll calls between the FX customer's physical location and customers in the foreign exchange. There are two types of FX service:

1.4.1.1 "Dedicated FX Traffic" shall mean those calls routed by means of a physical, dedicated circuit delivering dial tone or otherwise serving an end user's station from a serving Central Office (also known as End Office) located outside of that station's mandatory local calling area. Dedicated FX Service permits the end user physically located in one exchange to be assigned telephone numbers resident in the serving Central (or End) Office in another, "foreign," exchange, thereby creating a local presence in that "foreign" exchange.

1.4.1.2 "Virtual Foreign Exchange (FX) Traffic" and "FX-type Traffic" shall refer to those calls delivered to telephone numbers that are rated as local to the other telephone numbers in a given mandatory local calling area, but where the recipient end user's station assigned that telephone number is physically located outside of that mandatory local calling area. Virtual FX Service also permits an end user physically located in one exchange to be assigned telephone numbers resident in the serving Central (or End) Office in another, foreign," exchange, thereby creating a local presence in the "foreign" exchange. Virtual FX Service differs from Dedicated FX Service, however, in that Virtual FX end users continue to draw dial tone or are otherwise served from a Central (or End) Office which may provide service across more than one Commission-prescribed mandatory local calling area, whereas Dedicated FX Service end users draw dial tone or are otherwise served from a Central (or End) Office located outside their mandatory calling area.

1.4.2 "FX Telephone Numbers" are those telephone numbers with rating and routing point that are different from those of the geographic area in which the end user is physically located. FX Telephone Numbers that deliver second dial tone and the ability for the calling party to enter access codes and an additional recipient telephone number remain classified as Feature Group A (FGA) calls, and are subject to the originating and terminating carrier's tariffed Switched Exchange Access rates (also known as "Meet Point Billed" compensation), or if jointly provisioned FGA service, subject to the terms and conditions of Appendix FGA.

1.4.3 The Terminating Carrier shall be responsible for not billing any minutes of use on its network that are "Virtual FX Traffic," "FX-type Traffic," or "Dedicated FX Service" as defined herein. To the extent minutes of use are nevertheless billed and paid by the originating carrier, but later found to be Virtual FX, Dedicated FX, or FX-type Traffic that should have been subject to Bill and Keep, the terminating carrier will be responsible for reimbursing the originating carrier the amount of compensation paid, plus interest at the interest rate defined in the originating carrier's Switched Access Tariff.

1.4.4 To the extent that the Parties jointly provide the Dedicated FX circuit serving the end user, the terms of Appendix FGA (as amended) shall apply for the joint revenue sharing between ILEC and CLEC.

1.4.5 To the extent that ISP-Bound Traffic is provisioned via Virtual FX Traffic, Dedicated FX Traffic, or other FX-type arrangement, it is subject to the compensation mechanism of Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting parties charges the other for terminating FX traffic that originates on the other party's network.

1.5 With respect to CLEC's rights and obligations concerning CLEC and SBC MISSOURI termination of wireline traffic, CLEC shall select one of the three options set forth below upon execution of this Agreement by making a designation on the signature page of the General Terms and Conditions of the Agreement. If CLEC fails to select one of the billing options identified below upon execution of this Agreement on the signature page in the General Terms and Conditions, Option 2 shall automatically apply for the duration of the Agreement. CLEC may amend Agreement to make a one-time election to modify its initial option selection made upon execution of this Agreement. CLEC will operate pursuant to the provisions of the option elected at the time of execution of this Agreement until such amendment is approved by the Commission.

1.5.1 Option 1: The rates, terms and conditions for compensation (except those pertaining to Option 3) for Section 251(b)(5) Traffic contained below in Section 3.0 and the FCC's interim ISP terminating compensation rate plan for ISP Bound Traffic as contained below in Section 1.6; or

1.5.2 Option 2: Exchange all ISP-Bound Traffic and All Section 251(b)(5) Traffic at the FCC's Interim ISP Terminating Compensation Plan Rate as contained below in Section 1.7; or

1.5.3 Option 3: A reciprocal compensation arrangement for the transport and termination of wireline Section 251(b)(5) Traffic and ISP-Bound Traffic, based upon a long-term Bill and Keep arrangement. With this option, Parties agree to use SS7 interconnection and the terms and conditions as more particularly described in Section 1.8 below.

1.6 Contract Rates for Section 251(b)(5) Traffic and FCC's Interim ISP Terminating Compensation Plan rate for ISP-Bound Traffic (Option 1)

1.6.1 The CLEC may elect to take the rates, terms, and conditions for Section 251(b)(5) Traffic contain in Section 3.0 of this Attachment, and the rates, terms and conditions for ISP-Bound Traffic in Sections 1.6.2 through 1.65 which are based on the FCC ISP Compensation Order.

1.6.2 Intercarrier Compensation Rate for ISP-Bound Traffic:

1.6.2.1 The rates, terms, conditions in Sections 1.6.2 through 1.6.5 apply only to the termination of ISP-Bound Traffic and ISP-Bound Traffic is subject to the rebuttable presumption stated below. Notwithstanding anything contrary in this Attachment, the rebuttable presumption apply to CLEC and SBC MISSOURI.

1.6.2.2 The Parties agree to compensate each other for ISP-Bound Traffic on a minute of use basis at $.0007 per minute of use.

1.6.2.3 Payment of Reciprocal Compensation on ISP-Bound Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch. Where the terminating party utilizes a hierarchical or two-tier switching network, the Parties agree that the payment of these rates in no way modifies, alters, or otherwise affects any requirements to establish Direct End Office Trunking, or otherwise avoids the applicable provisions of the Interconnection Agreement and industry standards for interconnection, trunking, Calling Party Number (CPN) signaling, call transport, and switch usage recordation.

1.6.3 ISP-Bound Traffic Rebuttable Presumption

In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC MISSOURI agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between CLEC and SBC MISSOURI exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation in this Section 1.6. Either Party has the right to rebut the 3:1 ISP presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval and, in addition, shall be utilized to determine the appropriate true-up as described below. During the pendency of any such proceedings to rebut the presumption, CLEC and SBC MISSOURI will remain obligated to pay the presumptive rates for Section 251(b)(5) Traffic as set forth in Section 3.0 and the rates set forth in Section 3.3.4 for ISP-Bound traffic.

1.6.4 For combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties which does not exceed a 3:1 terminating to originating ratio as set forth in Section 16.3 above, such traffic shall be defined as "In-Balance" traffic. Each party will invoice the other party on a monthly basis for such "In-Balance" traffic at the reciprocal compensation rates set forth in Section 3.0 for Section 251(b)(5) Traffic.

1.6.5 For combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties exceeding a 3:1 terminating to originating ratio as set forth in Section 1.6.3 above, such traffic shall be defined as "Out-of-Balance" traffic. The Carrier whose traffic is "Out-of-Balance" will, on a monthly basis, calculate the amount of traffic that will be invoiced as follows: (1) for Section 251(b)(5) traffic, the rates shall be the reciprocal compensation rates set forth in Section 3.0; (2) for ISP-Bound Traffic, the rates shall be the FCC's interim ISP terminating compensation rates set forth in Section 1.6.2.2.

1.7 Exchange All ISP-Bound Traffic and All Section 251(b)(5) Traffic at the FCC's ISP Terminating Compensation Plan Rate (Option 2)

The CLEC may elect to take the rates, terms, and conditions contained in this Attachment in Sections 1.7. 1 through 1.7.5 for all ISP-Bound Traffic and Section 251(b)(5) Traffic.

1.7.1 Compensation Rate Schedule for ISP-Bound Traffic and Section 251(b)(5) Traffic:

1.7.1.1 The rates, terms, conditions in Sections 1.7.1 through 1.7.4 apply to the termination of all ISP-Bound Traffic and all Section 251(b)(5) Traffic, and all ISP-Bound Traffic is subject rebuttable presumption stated below.

1.7.1.2 The Parties agree to compensate each other for the transport and termination of ISP-Bound Traffic and Section 251(b)(5) Traffic on a minute of use basis, at $.0007 per minute of use.

1.7.1.3 Payment of Intercarrier Compensation on ISP-Bound Traffic and Section 251(b)(5) Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch.

1.7.2 ISP-Bound Traffic Rebuttable Presumption

In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC MISSOURI agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between CLEC and SBC MISSOURI exceeding a 3:1 terminating to originating ratio is presumed to be ISP-Bound Traffic subject to the compensation terms in this Section 1.7. Either party has the right to rebut the 3:1 ISP presumption by identifying the actual ISP-Bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval. During the pendency of any such proceedings to rebut the presumption, CLEC and SBC MISSOURI will remain obligated to pay the presumptive rates (the rates set forth in Section 1.7.1.2 for Section 251(b)(5) Traffic and ISP-Bound traffic.

1.7.3 For combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties which does not exceed a 3:1 terminating to originating ratio as set forth in Section 1.6.4 above, such traffic shall be defined as "In-Balance" traffic. Each party will invoice the other party on a monthly basis for such "In-Balance" traffic at the reciprocal compensation rates set forth in Section 1.6.1.2 for Section 251(b)(5) Traffic.

1.7.4 For combined Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties exceeding a 3:1 terminating to originating ratio as set forth in Section 1.6.4 above, such traffic shall be defined as "Out-of-Balance" traffic. The Carrier whose traffic is "Out-of-Balance" will, on a monthly basis, calculate the amount of traffic that will be invoiced as follows: (1) for Section 251(b)(5) traffic and ISP-Bound Traffic at the the FCC's interim ISP terminating compensation rates set forth in Section 1.6.1.2.

1.8 Long-Term Local Bill and Keep Option (Option 3)

As an alternative to Options 1 and 2, a CLEC can elect long-term local Bill and Keep as the reciprocal compensation arrangement for Section 251(b)(5) Traffic and ISP-Bound Traffic originated and terminated between SBC MISSOURI and CLEC in MISSOURI so long as qualifying traffic between the parties remains in balance in accordance with this Section 1.8. Long-term local Bill and Keep applies only to Section 251(b)(5) Traffic and ISP-Bound Traffic as defined in Section 1.2 of this Attachment and does not include, IntraLATA Interexchange Traffic, Meet Point Billing Traffic, FX Traffic, FGA Traffic or Cellular Traffic.

1.8.1 The Parties agree that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties will be subject to Bill and Keep as the method of intercarrier compensation provided that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between the Parties is in balance within +/-5% of equilibrium (50%), and that the MOU differential as defined in Section 1.8.3 below does not exceed the specified threshold.

1.8.1.1 The calculation for determining whether traffic is in balance will be based on the difference between the total Section 251(b)(5) Traffic and ISP-Bound Traffic originated by each Party's end users terminated to the other Party's End Users, divided by the sum of both Parties' end users' terminated Section 251(b)(5) Traffic, and ISP-Bound Traffic multiplied by 100.

1.8.2 The Parties agree that where Section 251(b)(5) Traffic and ISP-Bound Traffic is determined to be out-of-balance by more than 5% per month for three (3) consecutive months, Option 2 shall immediately apply to all Section 251(b)(5) Traffic and ISP-Bound Traffic.

1.8.3 Intentionally Omitted

1.8.4 Once Option 2 applies to CLEC's Section 251(b)(5)Traffic and ISP-Bound Traffic, it will apply for the remaining term of this Agreement until and unless CLEC makes a one-time election to modify this compulsory option selection by entering into an Amendment. CLEC will operate pursuant to the provisions of Option 2 as set forth in Section 1.5 until such amendment is approved by the Commission.

1.8.4.1 In the event that either Party disputes whether its Section 251(b)(5) Traffic and ISP-Bound Traffic is in balance, the Parties agree to work cooperatively to reconcile the inconsistencies in their usage data.

1.8.4.2 Should the Parties be unable to agree on the amount and balance of Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between their End Users, either Party may invoke the dispute resolution procedures under this Agreement. In the event that dispute resolution procedures results in the calculations being delayed, the reciprocal compensation rates will apply retroactively to the date such reciprocal compensation were applicable under Sections 1.8.4 and 1.8.5.

1.8.5 Upon reasonable belief that traffic other than Section 251(b)(5) Traffic and ISP-Bound Traffic as defined in Section 1.2 of this Attachment is being terminated under this long-term local Bill and Keep arrangement, either Party may request a meeting to confirm the jurisdictional nature of traffic delivered as Bill and Keep. Parties will consult with each other to attempt to resolve issues without the need for an audit. Should no resolution be reached within 60 days, an audit may be requested and will be conducted by an independent auditor under an appropriate non-disclosure agreement. Only one audit may be conducted by each Party within a six-month period.

1.8.6 The auditing Party will pay the audit costs unless the audit reveals the delivery of a substantial amount of traffic originating from a party in this Agreement other than Section 251(b)(5) Traffic and ISP-Bound Traffic for termination to the other party under the long term local Bill and Keep arrangement. In the event the audit reveals a substantial amount of traffic other than Section 251(b)(5) Traffic and ISP-Bound Traffic, the Party delivering such traffic will bear the cost of the audit and will pay appropriate compensation for such traffic with interest at the commercial paper rate as referenced in 9.1 of the General Terms and Conditions of this Agreement.

1.8.7 The Parties will consult and negotiate in good faith to resolve any issues of accuracy or integrity of data collected, generated, or reported in connection with audits or otherwise.

1.8.8 The audit provisions set out in Sections 1.8.6 through 1.8.8 above do not alter or affect audit provisions set out elsewhere in this Agreement.

2.0 RESPONSIBILITIES OF THE PARTIES

2.1 For all traffic originated on a Party's network including, without limitation, Switched Access Traffic and wireless traffic, such Party shall provide CPN as defined in 47 C.F.R. § 64.1600(c) ("CPN") in accordance with Section 2. 3, below. Each Party to this Agreement will be responsible for passing on any CPN it receives from a third party for traffic delivered to the other Party In addition, each Party agrees that it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN. If either party identifies improper, incorrect, or fraudulent use of local exchange services (including, but not limited to PRI, ISDN and/or Smart Trunks), or identifies stripped, altered, modified, added, deleted, changed, and/or incorrectly assigned CPN, the Parties agree to cooperate with one another to investigate and take corrective action.

2.2 If one Party is passing CPN but the other Party is not properly receiving information, the Parties will work cooperatively to correct the problem.

2.3 For traffic which is delivered by one Party to be terminated on the other Party's network, if the percentage of such calls passed with CPN is greater than ninety percent (90%), all calls delivered by one Party to the other for termination without CPN will be billed as either Section 251(b)(5) Traffic or IntraLATA Toll Traffic in direct proportion to the total MOUs of calls delivered by one Party to the other with CPN. If the percentage of calls passed with CPN is less than 90%, all calls delivered by one Party to the other without CPN will be billed as Intrastate Access rates.

2.4 CLEC has the sole obligation to enter into a compensation agreement with third party carriers that CLEC originates traffic to and terminates traffic from, including traffic either originated or terminated to a CLEC end-user served by CLEC using an SBC MISSOURI non-resale offering whereby SBC MISSOURI provides the end office switching on a wholesale basis. In no event will SBC MISSOURI have any liability to CLEC or any third party if CLEC fails to enter into such compensation arrangements. In the event that traffic is exchanged with a third party carrier with whom CLEC does not have a traffic compensation agreement, CLEC will indemnify, defend and hold harmless SBC MISSOURI against any and all losses including without limitation, charges levied by such third party carrier. The third party carrier and CLEC will bill their respective charges directly to each other. SBC MISSOURI will not be required to function as a billing intermediary, e.g., clearinghouse. SBC MISSOURI may provide information regarding such traffic to other telecommunications carriers or entities as appropriate to resolve traffic compensation issues.

3.0 RECIPROCAL COMPENSATION FOR TERMINATION OF SECTION 251(B)(5) TRAFFIC

3.1 If Option 1 is elected by the CLEC, in accordance with Section 1.6 of this Attachment, the compensation set forth below will apply to all Section 251(b)(5) Traffic as defined in Section 1.2 of this Attachment.

3.2 Applicability of Rates:

3.2.1 The rates, terms, conditions in this Section 3.0 apply only to the termination of Section 251(b)(5) Traffic.

3.2.2 The Parties agree to compensate each other for the termination of Section 251(b)(5) Traffic on a minute of use (MOU) basis. The following rate elements apply, but the corresponding rates are shown in Appendix Pricing:

3.3 Rate Elements:

3.3.1 Tandem Served rate elements are applicable to Tandem Routed Traffic on a terminating MOU basis and includes compensation for the following sub-elements:

3.3.2 Tandem Switching - compensation for the use of tandem switching only consisting of a duration (per minute) rate element

3.3.3 Tandem Transport - compensation for the transmission facilities between the local tandem and the end offices subtending that tandem consisting of a transport termination (per minute) rate element and transport facility mileage (per minute, per mile) rate element

3.3.4 End Office Switching - compensation for the local end office switching and line termination necessary to complete the transmission in an end office serving arrangement consisting of a duration (per minute) rate element.

3.3.5 CLEC shall only be paid End Office Serving Rate Elements.

3.4 Intercarrier Compensation for Wholesale Local Switching Traffic

3.4.1 Where CLEC provides service to a CLEC end user using any combination of network elements that utilizes an SBC MISSOURI non-resale offering, whereby SBC MISSOURI provides the end office switching on a wholesale basis, CLEC will deal directly with third party carriers for purposes of reciprocal compensation. The following reciprocal compensation terms (unless CLEC is operating under Option 3) shall apply in all cases where CLEC purchases an SBC MISSOURI non-resale offering whereby SBC MISSOURI provides the end office switching on a wholesale basis. These terms and conditions are in addition to the terms and conditions outlined in Attachment 6. SBC MISSOURI is required to provide CLEC with timely, complete and correct information to enable CLEC to meet the requirements of this section.

3.4.1.1 For intra-switch Section 251(b)(5) Traffic and ISP-Bound Traffic where CLEC has purchased an SBC MISSOURI non-resale offering whereby SBC MISSOURI provides the end office switching on a wholesale basis, the Parties agree to impose no call termination charges pertaining to reciprocal compensation on each other.

3.4.1.2 For interswitch Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged between SBC MISSOURI end users and CLEC's end users where CLEC utilizes an SBC MISSOURI non-resale offering whereby SBC MISSOURI provides the end office switching on a wholesale basis, the Parties agree to compensate each other for the termination of such traffic at: , (i) the FCC Plan rate specified in Section 1.6.1.2 for the transport and termination of Section 251(b)(5) Traffic, including ISP-Bound Traffic, if Option 2 is elected by CLEC; or (ii) the End Office Switch rate set forth in Appendix Pricing and as specified in Section 3.3.4 for the transport and termination of Section 251(b)(5) Traffic, excluding ISP-Bound Traffic and the FCC Plan rate set forth in Section 1.5.2.2 for the transport and termination of ISP-Bound Traffic if Option 1 is elected.

4.0 TANDEM INTERCONNECTION RATE APPLICATION

4.1 The tandem interconnection rate shall apply only when CLEC's switch serving specific LATA has been determined to have the same or greater geographic scope as a similarly-situated SBC Tandem Switch serving the same LATA. Where CLEC has not affirmatively demonstrated that its switch serves a geographic area comparable to the area served by SBC MISSOURI's tandem switch pursuant to 47 C.F.R.

§51.711 (a)(3), CLEC shall be entitled to receive the End Office Switching rate set forth in Appendix Pricing and as specified in Section 1.4.2.2 above.

4.1.2 For purposes of this Section 4.0, CLEC's switch actually serves a geographic area comparable to the area served by SBC MISSOURI's tandem when CLEC:

(i) Deploys a switch to serve this area;
(ii) Has obtained NPA and NXXs to serve the exchanges within this area; and
(iii) Can show that it is serving this area either through its own facilities or a combination of its own facilities and leased facilities connected to its collocation arrangements in ILEC central offices.

4.1.3 If CLEC has more than one switch per LATA, each switch must qualify for the tandem interconnection rate as set forth above on a switch-by-switch basis.

4.1.4 For compensation purposes, if CLEC qualifies for the tandem interconnection rate as provided in Section 4.1.2 above, the transport and termination ratio must be determined for tandem switching <u>and end office switching</u> compensation.

4.1.4.1 For purposes of this Section 4.1.4.1, when CLEC utilizes one-way facilities to SBC MISSOURI's switches for the purposes of terminating CLEC's traffic to SBC MISSOURI's end users, the methodology for calculating the tandem ratio is as follows:

Tandem Percentage =

$$\frac{\text{Number of one-way facilities that are routed to an SBC MISSOURI tandem}}{\text{Total Number of one-way facilities}}$$

For compensation purposes, this percentage represents the fraction of traffic terminated to SBC MISSOURI's network that involves the use of a tandem that will be compensated at the tandem switching rate set forth in appendix pricing and as specified in Section 3.3.1 above.

4.1.4.2 For purposes of this Section 4.1.3.2, when CLEC utilizes two-way facilities to SBC MISSOURI's switches for the purposes of terminating CLEC's traffic to SBC MISSOURI's end users, the methodology for calculating the tandem ratio is as follows:

Tandem Percentage =

$$\frac{\text{Number of two-way facilities that are routed to an SBC MISSOURI tandem}}{\text{Total Number of two-way facilities}}$$

For compensation purposes, this percentage represents the fraction of traffic terminated to SBC MISSOURI's network that involves the use of a tandem that will be compensated at the tandem switching rate set forth in appendix pricing and as specified in Section 3.3.1 above.

4.1.4.3 The tandem interconnection rate will include a transport mileage of zero miles.

4.2 Should disputes arise regarding whether CLEC's switch has affirmatively demonstrated that its switch actually serves a geographic area comparable to the area served by an SBC MISSOURI tandem switch, as described above, the Parties shall utilize the Dispute Resolution procedures in this Agreement to resolve the dispute. At the conclusion of dispute resolution, if CLEC demonstrates that its switch is actually serving a geographic area comparable to the SBC MISSOURI's tandem switch in a LATA, the tandem switching and transport rates shall be applied on a going forward basis only.

5.0 OTHER TELECOMMUNICATIONS TRAFFIC

5.1 The Parties recognize and agree that ISP and Internet traffic could also be traded outside of the applicable local calling scope, or routed in ways that could make the rates and rate structure in Options 1, 2, and/or 3 above not apply, including but not limited to ISP calls that fit the definitions of:

- IntraLATA Interexchange Traffic
- 800, 888, 877, ("8YY") Traffic
- Feature Group A Traffic
- FX Traffic
- MCA Traffic

5.2 The Parties agree that, for the purposes of this Attachment, either Party's end users remain free to place ISP calls on a "Non-Local" basis under any of the above classifications. Notwithstanding anything to the contrary herein, to the extent such "non-Local" ISP calls are placed, the Parties agree that Options 1, 2, and/or 3 above does not apply. The applicable rates, terms and conditions for: (a) "8YY" Traffic are set forth in Sections 8.2 and 8.3; (b) Feature Group A Traffic are set forth in Section 1,3.4; (c) FX Traffic are set forth in Sections 1.3 through 1.3.5; (e) IntraLATA Toll Traffic are set forth in Section 8.0; and/or (f) MCA Traffic are set forth in Sections 1.2.1 through 1.2.2.

6.0 SEGREGATING AND TRACKING FX TRAFFIC

6.1 In order to ensure that Virtual FX, Dedicated FX, and FX-type Traffic is being properly segregated from other types of intercarrier traffic, the terminating carrier will be responsible for keeping a written record of all FX Telephone Numbers (whether Dedicated, Virtual, and FX-type) for which Bill and Keep applies, and providing an NXX level summary of the minutes of use to FX Telephone Numbers on its network to the originating carrier each month (or in each applicable billing period, if not billed monthly).

6.2 The Parties agree to retain written records of their full 10 digit FX Telephone Numbers for two (2) years from the date the FX Telephone Numbers were assigned.

6.3 Alternatively, the Parties may mutually agree to assign a Percentage of FX Usage (PFX) which shall represent the estimated percentage of minutes of use that is attributable to all Dedicated FX, Virtual FX, and FX-type Traffic in a given usage month.

6.3.1 The parties may agree to use traffic studies, retail sales of Dedicated FX lines, or any other agreed method of estimating the FX traffic to be assigned the PFX.

7.0 COMPENSATION FOR TERMINATION OF INTRALATA INTEREXCHANGE TOLL TRAFFIC

7.1 IntraLATA Interexchange Traffic, not considered EAS Traffic and carried on the jointly-provided ILEC network, is considered as IntraLATA Toll Traffic and is subject to tariff access charges. Billing arrangements are outlined in Section 10.

7.2 Compensation for the termination of this traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge, as set forth in each Party's intrastate access service tariff.

7.3 For interstate IntraLATA service, compensation for terminating of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge, as set forth in each Party's interstate access service tariff.

8.0 COMPENSATION FOR ORIGINATION AND TERMINATION OF SWITCHED ACCESS SERVICE TRAFFIC TO OR FROM AN INTEREXCHANGE CARRIER (IXC) (MEET-POINT BILLING (MPB) ARRANGEMENTS)

8.1 For interLATA traffic and intraLATA traffic, compensation for termination of intercompany traffic will be at access rates as set forth in each Party's own applicable interstate or intrastate access tariffs.

8.2 The Parties will establish MPB arrangements in order to provide Switched Access Services to Interexchange Carriers via a Party's access tandem switch, in accordance with the MPB guidelines contained in the Ordering and Billing Forum's MECOD and MECAB documents as amended from time to time.

8.2 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.

8.3 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services jointly handled by the Parties via the MPB arrangement. Where Exchange Message Interface (EMI) records cannot be transferred due to transmission failure, records can be provided via a mutually acceptable medium. Each Party will act as the Official Recording Company for switched Access usage when it is jointly provided between the Parties. As described in the MECAB document, the Official Recording Company for tandem routed traffic is: (1) the end office company for originating traffic, (2) the tandem company for terminating traffic and (3) the SSP company for originating 800 traffic. The exchange of Access Usage Records ("AURs") to accommodate meet point billing will be on a reciprocal, no charge basis. Each Party agrees to provide the other Party with AURs based upon mutually agreed upon intervals.

8.4 Billing for the Switched Access Services jointly provided by the parties via the MPB arrangement will be according to the multiple bill single tariff method. As described in the MECAB document each Party will render a bill in accordance with its tariff for its portion of the service. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC), if any, will be billed by the Party providing the End Office function.

8.5 MPB will also apply to all jointly provided Switched Access MOUs bearing the 900 or toll free NPAs (e.g., 800, 877, 866, 888 NPAs or any other non-geographical NPAs). The Party that performs the SSP function (launches the query to the 800 database) will bill the 800 Service Provider for this function.

9.0 INTENTIONALLY OMITTED

10.0 BILLING ARRANGEMENTS FOR TERMINATION OF SECTION 251(B)(5) TRAFFIC, ISP-BOUND TRAFFIC AND INTRALATA TOLL TRAFFIC

10.1 In SBC MISSOURI each Party, unless otherwise agreed, will calculate terminating interconnection minutes of use based on standard switch recordings made within the terminating carrier's network for Section 251(b)(5) Traffic, ISP-Bound Traffic and IntraLATA Toll Traffic. These terminating recordings are the basis for each Party to generate bills to the originating carrier.

10.1.1 Where a terminating Facility Based CLEC is not technically capable of billing the originating carrier through the use of terminating records, SBC MISSOURI will provide the terminating CLEC the appropriate call records that will allow the terminating CLEC the ability to directly bill the proper intercarrier compensation charges to the originating carrier.

10.1.2 Where CLEC is using terminating recordings to bill intercarrier compensation, SBC MISSOURI will provide the terminating Category 11-01-XX records by means of the Daily Usage File (DUF) to identify traffic that originates from an end user being served by a third party telecommunications carrier using an SBC MISSOURI non-resale offering whereby SBC MISSOURI provides the end office switching on a wholesale basis. Such records will contain the Operating Company Number (OCN) of the responsible LEC that originated the calls which CLEC may use to bill such originating carrier for MOUS terminated on CLEC's network.

10.2 ISP-Bound Traffic will be calculated using the 3:1 Presumption as outlined in Sections 1.6.6 and 1.7.5 above.

10.3 The measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.

10.4 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) consecutive months of prior usage data.

11.0 #[1]SWITCHED ACCESS TRAFFIC

11.1 For purposes of this Agreement only, Switched Access Traffic shall mean all traffic that originates from an end user physically located in one local exchange and delivered for termination to an end user physically located in a different local exchange (excluding traffic from exchanges sharing a common mandatory local calling area as defined in SBC-MISSOURI's local exchange tariffs on file with the applicable state commission) including, without limitation, any traffic that (i) terminates over a Party's circuit switch, including traffic from a service that originates over a circuit switch and uses Internet Protocol (IP) transport technology (regardless of whether only one provider uses IP transport or multiple providers are involved in providing IP transport) and/or (ii) originates from the end user's premises in IP format and is transmitted to the switch of a provider of voice communication applications or services when such switch utilizes IP technology and terminates over a Party's circuit switch. Notwithstanding anything to the contrary in this Agreement, all Switched Access Traffic shall be delivered to the terminating Party over feature group access trunks per the terminating Party's access tariff(s) and shall be subject to applicable intrastate and interstate switched access charges; provided, however, the following categories of Switched Access Traffic are not subject to the above stated requirement relating to routing over feature group access trunks:

(i) IntraLATA toll Traffic or Optional EAS Traffic from a CLEC end user that obtains local dial tone from CLEC where CLEC is both the Section 251(b)(5) Traffic provider and the intraLATA toll provider,

(ii) IntraLATA toll Traffic or Optional EAS Traffic from an SBC end user that obtains local dial tone from SBC where SBC is both the Section 251(b)(5) Traffic provider and the intraLATA toll provider;

(iii) Switched Access Traffic delivered to SBC from an Interexchange Carrier (IXC) where the

[1] IC 1(a) and 1(b)

terminating number is ported to another CLEC and the IXC fails to perform the Local Number Portability (LNP) query; and/or

(iv) Switched Access Traffic delivered to either Party from a third party competitive local exchange carrier over interconnection trunk groups carrying Section 251(b)(5) Traffic and ISP-Bound Traffic (hereinafter referred to as "Local Interconnection Trunk Groups") destined to the other Party.

Notwithstanding anything to the contrary in this Agreement, each Party reserves it rights, remedies, and arguments relating to the application of switched access charges for traffic exchanged by the Parties prior to the Effective Date of this Agreement and described in the FCC's Order issued in the Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services Exempt from Access Charges, WC Docket No. 01-361(Released April 21, 2004).

11.2 In the limited circumstances in which a third party competitive local exchange carrier delivers Switched Access Traffic as described in Section 11.1 (iv) above to either Party over Local Interconnection Trunk Groups, such Party may deliver such Switched Access Traffic to the terminating Party over Local Interconnection Trunk Groups. If it is determined that such traffic has been delivered over Local Interconnection Trunk Groups, the terminating Party may object to the delivery of such traffic by providing written notice to the delivering Party pursuant to the notice provisions set forth in the General Terms and Conditions and request removal of such traffic. The Parties will work cooperatively to identify the traffic with the goal of removing such traffic from the Local Interconnection Trunk Groups. If the delivering Party has not removed or is unable to remove such Switched Access Traffic as described in Section 11.1(iv) above from the Local Interconnection Trunk Groups within sixty (60) days of receipt of notice from the other party, the Parties agree to jointly file a complaint or any other appropriate action with the applicable Commission to seek any necessary permission to remove the traffic from such interconnection trunks up to and including the right to block such traffic and to obtain compensation, if appropriate, from the third party competitive local exchange carrier delivering such traffic to the extent it is not blocked.

12.0 #[2]INTENTIONALLY DELETED

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