

not feasible, the conduit owner will inform the other Party. Upon that other Party's request:

- a. the Parties will agree to suitable egress at a nearby manhole; or
- b. the conduit owner will provide a quote, accepted by the other Party, for construction of suitable egress, and the conduit owner will construct such egress; or
- c. the other Party will construct, under the conduit owner's supervision, suitable egress, with all costs paid by the other Party, including the reasonable cost of the conduit owner's supervision.

4. The Parties agree that the rates for any specific geographic area shall be based on the rate band structure found in Exhibit D to Pacific's Pole Attachment and Conduit Occupancy License Agreement, except that the rates shall be calculated based on 47 U.S.C. § 224(d).

- F. The Parties agree to support each other in achieving entry and membership into industry groups which manage pole attachments, ducts and conduits.
- G. If state law requires a franchise agreement with a municipality, the Parties will indemnify and hold each other harmless for any damages one Party suffers as a result of the other Party not obtaining necessary approvals. Each Party will use reasonable efforts to obtain all necessary right-of-way authority, approvals and authority.

IV. EMERGENCY SERVICES, DIRECTORY ASSISTANCE AND OPERATOR CALL COMPLETION SERVICES (E9-1-1, 0-) [TA 1996 Section 271(c)(2)(B)(vii)]

A. Emergency Services.

1. Each Party will cooperate to ensure the seamless operation of emergency call networks, including E9-1-1 and 0- emergency calls.
2. Except as otherwise specified in this Agreement, Pacific will provide any of the services discussed in this Section in accordance with the rates, terms and conditions of its tariffs.

3. Pacific will permit TCG to interconnect to the Pacific E9-1-1 tandems which serve the areas in which TCG provides exchange services so that TCG's customers may place calls to Public Safety Answering Points ("PSAPs") by dialing 911
4. TCG and Pacific will work cooperatively, including where necessary, meeting with PSAP operators and/or state, county and municipal government officials, to explain TCG's interconnection with the Public Safety emergency network.
5. Pacific will not use information obtained from TCG in connection with establishing and maintaining the E9-1-1 databases for any purpose not directly associated with the operation of the Public Safety emergency network.
6. Pacific, as operator of the Automatic Location Identifier ("ALI") database will maintain processes and procedures to receive and process TCG customer information within two business days. Pacific will maintain an electronic interface process to permit TCG to electronically update the ALI database with TCG subscriber information at no charge. The Parties further agree to work in industry fora, such as the National Emergency Numbering Association ("NENA"), to establish an industry standard format for transfer of E-9-1-1 customer records.
7. Two times a year, Pacific will provide to TCG (upon TCG's request), at no charge, copies of the current Master Street Address Guides ("MSAGs"), on magnetic tape or diskette, for the counties in which TCG provides Exchange Service. Pacific agrees that it will make reasonable efforts to make available to TCG online read-only access to the MSAG at no charge by the end of the first quarter of 1997. In the event that online access is not available to TCG by that time, Pacific will provide to TCG, (upon TCG's request) monthly copies, on magnetic tape or diskette, of the current MSAG and updates. At the time that online access becomes available to TCG, Pacific's obligation to provide copies of the MSAG shall come to an end.
8. Upon approval of its requested modification to the nonpublished number section of its exchange service tariff, Pacific will provide TCG with the ten-digit subscriber number for each PSAP which sub-tends each Pacific E9-1-1 tandem to which TCG is interconnected so that TCG or its Operator Services contractor may transfer 0- calls to the PSAP. This information will be provided to TCG within ten days of the approval of the

modification to Pacific's tariff. TCG agrees to hold this information in confidence and will use the information solely for the purpose of routing 0- calls from the TCG Operator Services platform to the PSAPs. In addition, Pacific agrees to provide TCG with updates to this information in the same time frame and manner in which that information is provided to Pacific's Operator Services work centers.

9. Pacific agrees to provide to TCG upon its request, at no charge, Selective Router Tandem Location maps which define the boundaries served by all controllers/tandems in the areas where TCG provides Exchange Service.

B. Directory Assistance.

1. Either Party may terminate Directory Assistance calls over the Local Interconnection Trunk Groups
2. The Parties agree that TCG will provide to Pacific, via Pacific's electronic gateway, subscriber information to be input into Pacific's Directory Assistance databases. There shall be no charge to TCG for the use of Pacific's electronic gateway used for the delivery of such information. Additionally, Pacific agrees to include these standard directory listings in its Directory Assistance databases at no charge to TCG or its customers within the same number of business days from receipt of the data from TCG as it takes Pacific to include its own customer information in such databases, according to the rules and provisions of Pacific's Schedule Cal. P.U.C Tariff No. 175-T, Section 9.3
3. Pacific will accord TCG's directory listings information the same level of confidentiality which Pacific accords its own directory listing information.
4. Pacific shall ensure that access to TCG's customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing or publishing of listings, directory publication or directory delivery.
5. Pacific will not use TCG directory listings for the marketing of telecommunications services by its own employees or those of its telephone operations line of business
6. Pacific agrees to provide TCG's non-published directory records the same protection accorded Pacific's non-published directory records with respect to the sale of directory listings to third parties.

7. The Parties agree Pacific will maintain in its electronic gateway the ability for TCG to ensure the formatting accuracy of the information it transmits to Pacific for inclusion in the Directory Assistance database. Listing format errors will be returned to TCG for correction and a total count of listings received and accepted will also be transmitted. The Parties will work cooperatively through OBF or other industry groups to further define standards for transmittal of directory listing information.

C. Operator Call Completion.

1. The Parties will complete operator-assisted calls to each other's networks using Local Interconnection Trunks
2. Additionally, at TCG's request, in conjunction with the provision of unbranded directory assistance service, Pacific will provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service Pacific makes available to its own end users (other than in its limited service area as shown on the effective date of this Agreement in Pacific's Schedule Cal. P.U.C. Tariff No. A6, Section 6.2.1 A.2.g.).

V. **WHITE PAGE DIRECTORY LISTINGS [TA 1996, Section 271(c)(2)(B)(viii)]**

- A. Directory listings refer to end user name, address and telephone number data in Directory Assistance databases and/or all appropriate White Pages directories. Pacific agrees to provide a standard directory listing free of charge to each end user customer of TCG according to the rules and provisions of Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 9.3
- B. Pacific will make available its electronic interface for the submission of the customer information from TCG. The Parties agree to work within the national standards fora, such as the OBF, to modify such interface as standards are adopted.
- C. The Parties agree that TCG shall have the opportunity to have customer service pages published in the White Pages sections of Pacific's Directories in those areas where TCG provides Exchange Service. These pages are found in the Customer Guide section of the Directory and provide TCG's customer service information, including phone numbers. A maximum of two pages will be provided without charge to TCG. Pages in excess of two will be charged by Pacific in accordance with the nondiscriminatory rates of its Schedule Cal. P.U.C. Tariff No. 175-T, Section 9.2.

- D. The Parties further agree that the provision of customer information to Pacific is for the sale of advertising services, inclusion in the Directory Assistance database and/or White Pages, and for the purpose of directory delivery. This information shall be given only to those employees of Pacific and Pacific Bell Directory who are involved in the sale of these services, and shall in no way be shared with the sales and marketing employees of Pacific's telephone operations.
- E. The Parties agree that, upon TCG's request, the NXX codes of all LECs shall be commingled in the section of the Customer Service Pages where calling areas are defined. No differentiation or segregation of TCG's codes shall occur.
- F. The Parties agree that TCG's end user customer listings will be commingled with the end user customer listings of Pacific
- G. The Parties agree that Pacific Bell Directory is independently developing its own billing capability for directory advertising services. TCG intends to independently negotiate an agreement with Pacific Bell Directory regarding billing and collection for advertising purchased by TCG's and Pacific Bell Directory's customers. If such an agreement is executed, Pacific agrees that it will cooperate in enabling such agreement to become effective, without any objection on Pacific's part.

VI. NONDISCRIMINATORY ACCESS TO NUMBER RESOURCES [TA 1996, Section 271(c)(2)(B)(ix)]

- A. Each Party will comply with Industry Carriers Compatibility Forum ("ICCF") Central Office Code Guidelines.
- B. Unless the FCC adopts rules in accordance with TA 1996 that differ from the ICCF Central Office Code Administration Guidelines, Pacific, where it functions as Number Administrator, will assign NXX codes to TCG, according to those Guidelines, on a basis no less favorable than that on which Pacific assigns codes to itself or to any other entity. So long as Pacific acts as the Number Administrator, the Parties agree that these Number Administrator functions will be provided without charge.
- C. It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Pacific nor TCG shall charge each other for changes to switch routing software necessitated by the creation, assignment or reassignment or activation of NPA or NXX codes, so long as the requirement set

forth at page 84 of D. 96-03-020 remains in place. The Parties also agree that if the Commission determines that LECs may recover their costs for changes to switch routing software necessitated by the creation, assignment or reassignment or activation of NPA or NXX codes, then the appropriate method of recovering such costs is an explicit all-end-user surcharge.

- D. The Parties will each be responsible for the electronic input of their respective number assignment information into the LERG.

VII. NUMBER PORTABILITY [TA 1996, Section 271(2)(c)(B)(xi)]

A. Interim Number Portability.

1. Until the Parties implement the provisions of the FCC's First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116 ("FCC Number Portability Order"), with regard to the pricing of INP, TCG and Pacific shall provide remote call forwarding functionality, or other INP capabilities, to each other pursuant to the terms and rates of the tariff filed by Pacific. The remote call forwarding functionality is identified in Pacific's tariff as Directory Number Call Forwarding ("DNCF").
2. In the event that either Party elects to use a DNCF-like INP service and until the Parties implement the provisions of the FCC Number Portability Order, with regard to the division of Switched Access revenues associated with INP, the Party forwarding the calls to the other Party over the INP arrangement shall pay the other Party \$1.75 per month for each business line and \$1.25 per month for each residence line associated with the INP arrangement. Determination of the number of lines to which the above payment shall apply will be made at the time the INP arrangement is established. The payment shall be made based on the total number of lines included in the same hunting arrangement as the INP number. Partial months will be paid on a prorated basis and such payment shall continue until the INP arrangement is disconnected or PNP is made available for the INP number, whichever occurs first. Such amount is in consideration of the Switched Access compensation and reciprocal compensation that would have been received by each Party if PNP had been in effect.
3. DNCF-like INP calls will be delivered over Local Interconnection Trunk Groups.

B. Permanent Number Portability.

1. Unless otherwise determined by the FCC, the Parties will offer PNP to each other in the service territory in which both Parties offer Exchange Service as soon as technically and operationally feasible. The Parties will use reasonable efforts to complete the transition to PNP in such areas on or before December 31, 1998.
2. Both Parties will urge the FCC to require that any necessary central databases and other shared facilities should be owned and operated by a neutral third party.
3. The Parties agree that Query on Release ("QOR"), in conjunction with location routing number data for SPNP routing, may be implemented within their networks, at each Party's option and consistent with the FCC Number Portability Order, provided that QOR does not materially delay the implementation of PNP beyond the date that an FCC-approved database architecture for PNP is available. If both Parties choose to implement QOR, then the Parties will exchange, at no charge, any signaling messages required to enable QOR functionality between each other's networks.
4. Each Party will bear its own costs for facilities associated with providing such PNP and will not charge the other Party for any activity associated with PNP.

VIII. LOCAL DIALING PARITY [TA 1996, Section 271(c)(2)(B)(xii)]

- A. The Parties agree that they will provide local dialing parity to each other and will permit each other to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings, with no unreasonable dialing delays. In addition, Pacific agrees that it will provide nondiscriminatory access to such services or information as is necessary to allow TCG to implement local dialing parity in accordance with the requirements of Section 251(b)(3) of TA 1996.
- B. For Local Exchange Traffic between the Parties, neither Party's end user customers shall be required to dial any access codes or other special or extra digits to reach the end user customers of the other Party.

IX. RECIPROCAL COMPENSATION ARRANGEMENTS [TA 1996, Section 271(c)(2)(B)(xiii)]

- A. The following describes the arrangement between the Parties for compensation for facilities established to transport Local Exchange Traffic between the Parties. The Parties agree to the following terms based on consideration of the generally balanced use of the Parties' respective facilities for interconnection. Such consideration is based on relative facility length and capacity provided to each other, determined by the comparison of facility deployment behind the POIs associated with TCG's collocation arrangements and Pacific's network.
1. Where the POI for the Local Interconnection Trunk Group is at a collocation arrangement in the same Pacific Wire Center as the Pacific switch where the Local Interconnection Trunk Group terminates, Pacific will pay a monthly charge for the facility, cross connect, and multiplexing, if any, equal to one point of termination at DS-1 rates (per DS-1 used for Local Interconnection Trunks) or DS-3 rates (per DS-3 used for Local Interconnection Trunks) according to TCG's tariff, in addition to the Switched Access elements, if any, below. Pacific may, at its option, choose to pay either the applicable tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties.
 2. Where the POI for the Local Interconnection Trunk Group is at a collocation arrangement other than in the same Pacific Wire Center as the Pacific switch where the Local Interconnection Trunk Group terminates, TCG will pay a monthly charge to Pacific for the facility, cross connect, and multiplexing, if any, equal to one point of termination at DS-1 rates (per DS-1 used for Local Interconnection Trunks) or DS-3 rates (per DS-3 used for Local Interconnection Trunks) according to Pacific's tariff, in addition to the Switched Access elements, if any, above. TCG may, at its option, choose to pay either the applicable tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties.
 3. Where the POI for the Local Interconnection Trunk Group is at a Mid Span Meet, there shall be no compensation between the Parties for the local interconnection facilities used.

B. The Parties agree that the LERG in its present form is not capable of displaying all subtending arrangements in a competitive LEC environment. Therefore, TCG may determine in Attachment A that certain of its switch Routing Points will be designated as either end offices or tandems for purposes of compensation in this Section. A TCG switch Routing Point will be designated as a tandem with respect to any situation where Pacific and TCG interconnect directly from a Pacific tandem to a TCG switch Routing Point. The number of TCG Routing Points designated as tandems, in Attachment A, shall be no more than the number of access tandems operated by Pacific in the LATA. A TCG switch Routing Point will be designated as an end office with respect to any situation where Pacific and TCG interconnect directly from a Pacific end office to a TCG switch Routing Point.

C. The following describes the compensation arrangements for transport and termination of Local Exchange Traffic between the Parties:

1. The following compensation rates shall apply for traffic carried from TCG to Pacific:

a. Local calls

For all local traffic (Zone Usage Measurement ("ZUM") Zone 1 and ZUM Zone 2, Extended Area Service and ZUM Zone 3), the Parties agree to mutual traffic exchange without explicit compensation.

This rate structure shall remain in place until one year after PNP is implemented throughout those LATAs in which the Parties both operate. The Parties agree to renegotiate this rate structure in that time frame in accordance with the compensation structure set forth in Section 252(d) of TA 1996, provided that such negotiations will be completed by the end of one year after PNP is implemented throughout those LATAs in which the Parties both operate. During the renegotiation process, either Party may seek arbitration.

b. Toll Calls

Applicable to intraLATA toll calls based on intrastate Switched Access rates as described below.

For all toll calls, the following rate elements shall apply:

- (1) Local switching - per minute of use as listed in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 6.8.3(A) with the following sub-elements:
 - Set-up (per call): and
 - Minutes of use
- (2) Network Interconnection Charge - per minute of use as listed in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 6.8.2(D).

Additionally, where such calls are routed through Pacific's tandem, the following elements shall apply:

- (3) Tandem switched transport as listed in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 6.8.2(C):
 - Fixed - per minute of use.
 - Variable - per mile per minute of use. Mileage is calculated based on the airline miles between the Vertical and Horizontal ("V&H") coordinates of the POI where the Local Interconnection Trunk Group terminates and the Pacific end office.
- (4) Tandem switching - per minute of use

Additionally, when the LATA-wide terminating option is selected, an additional tandem switching and tandem switched transport-fixed per minute of use rate element shall apply to all calls terminated through this arrangement. Tandem switched transport-variable mileage will be calculated as set forth in subsection C.1.b(3), above.

- c. TCG shall pay a transit rate of \$.006 per minute when TCG uses a Pacific access tandem to originate a call to another LEC or another TCG end office. If Pacific enters into an interconnection agreement with another LEC that provides for a transit rate lower than \$.006, that transit rate will be substituted for the rate set in this paragraph upon the effective date of that agreement. If TCG receives a call through Pacific's access tandem that originates from another LEC, TCG will not charge Pacific any rate elements for

this call, regardless of whether the call is local or toll. TCG will establish an appropriate billing relationship directly with the other LEC.

- d. When TCG uses a Pacific access tandem to transit a toll call to another LEC end office, and that LEC is a member of the California Toll Pool ("Pooling LEC"), Pacific will bill, and TCG will pay, Pacific's local switching and proportionate local transport rates in addition to the transit rate above. Pacific will remit such revenues to the California Toll Pool. When a Pooling LEC originates a toll call that terminates to a TCG NXX, TCG will bill and Pacific will pay, TCG local switching and local transport rates as if the call originated from a Pacific end office.

2. The following compensation rates shall apply for traffic carried from Pacific to TCG:

a. Local calls

For all local traffic (Zone Usage Measurement ("ZUM") Zone 1 and ZUM Zone 2, Extended Area Service and ZUM Zone 3), the Parties agree to mutual traffic exchange without explicit compensation.

This rate structure shall remain in place until one year after PNP is implemented throughout those LATAs in which the Parties both operate. The Parties agree to renegotiate this rate structure in that time frame in accordance with the compensation structure set forth in Section 252(d) of TA 1996, provided that such negotiations will be completed by the end of one year after PNP is implemented throughout those LATAs in which the Parties both operate. During the renegotiation process, either Party may seek arbitration.

b. Toll Rate

Applicable to intraLATA toll calls based on intrastate Switched Access rates as described below.

For all toll calls, the following rate elements shall apply:

- (1) Local switching - including associated sub-elements (e.g., set-up (per call) and minutes of use);

Additionally, where such calls are routed through TCG's tandem (as designated in Attachment A), the following elements shall apply:

- (2) Tandem switched transport (e.g., fixed - per minute of use and variable - per mile per minute of use). Mileage is calculated based on the airline miles between the Vertical and Horizontal ("V&H") coordinates of the POI where the Local Interconnection Trunk Group terminates and the TCG end office; and
- (3) Tandem switching - per minute of use.

The applicable rates for the above elements will be filed in TCG's tariff Cal. P.U.C. Schedule B-1 within 30 days of the execution of this Agreement.

- c. Pacific shall pay a transit rate equal to the rates set in the first two sentences of subsection C.1.c., above, when Pacific uses a TCG switch to originate a call to another LEC or another Pacific Central Office.
- D. For intraLATA Toll Free Service calls where such service is provided by one of the Parties, the compensation set forth in subsection C, above, as well as any applicable database query charge set forth in that Party's tariff, shall be charged by the Party originating the call rather than the Party terminating the call. The Parties agree to exchange originating EMR records for intraLATA Toll Free Service calls provided by one of the Parties.
 - E. The Parties agree to use reasonable efforts to establish the capability to measure and bill tandem terminating interconnection minutes of use based on usage records made within each Party's network by July 1997. The Parties agree that end-office terminated interconnection may require exchange of originating EMR records. The Parties agree to exchange EMR records where such terminating records are not available. These records, whether developed within each Party's network or exchanged between the Parties, shall form the sole basis for each Party to generate bills to the other Party. The Parties agree to exchange these records at no charge.
 - F. Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each

individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.

- G. Each Party will provide to the other, within 15 calendar days after the end of each quarter, a usage report with the following information regarding traffic terminated over the Local Interconnection Trunk arrangements:
1. Total traffic volume described in terms of minutes and messages and by call type (local, toll and other) terminated to each other over the Local Interconnection Trunk Groups. and
 2. PLU
- H. Late payment charges for interconnection charges will be assessed as described in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 2.4.1.B. and TCG's tariff Cal. P.U.C. Schedule B-1, Section 9 2
- I. For California 900 calls (those 900 NXXs shown in the LERG as Pacific's 900 NXXs), TCG shall deliver calls originated over TCG-provided exchange services to the Local Interconnection Trunk Groups.
- J. CCS interconnection charges will be applied based on the option for CCS interconnection TCG selects, as follows
1. If CCS interconnection is from Pacific's STPs to TCG' STPs solely for the purpose of exchanging signaling for each Party's Local Exchange Traffic and jointly provided Switched Access traffic, then no charges will apply for such SS7 links, STP ports or SS7 messages.
 2. If TCG uses a third party CCS provider to connect to Pacific's STPs, then charges will apply to such SS7 links, to the third party, as set forth in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 6, or as otherwise contracted between Pacific and that third party.
 3. If TCG connects its end office(s) directly to Pacific's STPs, then Pacific will apply 50% (one half) of the charges set forth in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 6 for such SS7 links and STP ports.
- K. If TCG elects to use Local Interconnection signaling arrangement option J(1) or J(3), above, in the future for its own Switched Access calls (e.g., FGB or FGD), the Parties agree to renegotiate the rates, terms and conditions prior to such use.

- L. Each Party shall charge the other Party for BLV and BLVI at the rates contained in their respective tariffs.
- M. If either Party terminates Directory Assistance calls over the Local Interconnection Trunk Groups to the other Party, the terminating Party shall charge the other Party for such Directory Assistance calls at the rates contained in its tariff or pursuant to a separately negotiated contract.
- N. A Maintenance of Service charge applies whenever either Party requests the dispatch of the either Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:
 - 1. No trouble is found in the interconnection trunks; or
 - 2. The trouble condition results from equipment, facilities or systems not provided by the Party whose personnel were dispatched; or
 - 3. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification the interconnection trunk does not exceed maintenance limits.

If a Maintenance of Service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled.

Billing for Maintenance of Service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked is categorized and billed at one of the following three rates:

- 1. basic time;
- 2. overtime; or
- 3. premium time

as defined for billing by Pacific in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 13 and in TCG's tariff Cal. P.U.C. Schedule A-1, Section 1.9.

X. TELECOMMUNICATIONS SERVICES AVAILABLE FOR RESALE [TA 1996 Section 271(c)(2)(B)(xiv)]

The Parties agree that Pacific will provide telecommunications services to TCG for resale in accordance with the requirements of Sections 251(c)(4) and 252(d)(3) of TA 1996. Pacific's prices charged to TCG for resold services will be the resale rates determined by the Commission. With respect to those Pacific resale services for which the Commission has not yet set a resale discount, the interim price shall be set at 8% below Pacific's retail rate for the service or such greater discount as is made available to any other entity. Once the Commission establishes a resale discount for any such service, that rate will replace the 8% discount, unless a greater discount is made available to any other entity, in which case TCG, upon request, will be entitled to that greater discount.

XI. COLLOCATION AND MID SPAN MEETS

A. Physical Collocation.

Pacific will provide for physical collocation of transport and termination equipment necessary for interconnection of TCG's network facilities to Pacific's network or access to unbundled network elements at its Wire Center premises. Such collocation shall be provided on a non-discriminatory basis according to the rates, terms and conditions contained in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 16, except as modified below

Listed below are the rates that TCG shall pay for physical collocation at Pacific's Wire Center premises, along with other terms and conditions that will apply with respect to such physical collocation, beginning with the effective date of this Agreement

1. Rates

- a. All monthly rates and nonrecurring charges set forth in Section 16.7.1(A)(1) shall be charged at 65% of the rates stated;
- b. The monthly rate set forth in Section 16.7.1(B)(1) shall be charged at 75% of the rate stated
- c. The monthly rates set forth in Section 16.7.1(C)(1) shall be reduced to zero;
- d. The nonrecurring charges set forth in Section 16.7.1(D)(1) shall be charged at the greater of \$2,000 or the amount stated in the tariff;

- e. The second sentence and the proration chart of Section 16.3.4 of Pacific's Schedule Cal. P.U.C. Tariff No. 175-T shall be changed to read:

The costs will be prorated and the prorated share refunded to previous collocator(s) as additional collocators use collocated services at that location within 60 months of when the billing for the first collocation space at that location begins, using the following schedule.

Collocator	Nonrecurring Charge	Refund
1st	100%	NA%
2nd	50%	50%
3rd	33.33%	16.67%
4th	25%	8.33%
5th	20%	5%
6th	16.67%	3.33%
7th	14.29%	2.38%
8th	12.5%	1.79%
9th	11.11%	1.39%
10th	10%	1.11%
11th and beyond	0%	

- f. Pacific will file an advice letter with the Commission, within 30 days of the effective date of this Agreement, modifying Section 16.3.4 of its Schedule Cal. P.U.C. Tariff No. 175-T in accordance with the change to the nonrecurring charge proration refunds described above. Upon approval, such new proration formula shall be applied to new collocation arrangements and to existing collocation arrangements with respect to all collocated parties who paid infrastructure charges under the prior tariff.

2. Terms

- a. Pacific agrees that it shall continue to make physical collocation available under the terms of this Agreement and its tariffs. Any requirement for relocation or eviction of collocated facilities must allow for reasonable due process including, but not limited to, either Party seeking Commission approval if the Parties cannot reach mutual agreement.

- b. Should multiplexing via EISCC between TCG and another party's collocated network facility in Pacific's Wire Center be found to be required under TA 1996 or offered to another party, Pacific will provide this capability to TCG.
- c. Notwithstanding any provisions contained in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 16, TCG may place Digital Loop Carrier equipment of its choosing in its collocation space, including shared space collocations described below, for connection of TCG's network to Pacific's network.
- d. Pacific agrees to provide TCG with reasonable advance notice, under the Notice provisions of this Agreement, of any proposed modifications to Pacific's tariff regarding physical collocation, except for the addition of Wire Centers and new types of EISCCs.

B. Shared Space Collocation

Where sufficient space exists, and upon request, Pacific will provide for collocation on a shared space basis with each collocater's area defined within the shared space. However, shared space collocation will not be made available in Wire Centers where at least one conventional physical collocation installation has already been installed. Such defined space shall, at a minimum, be sized to permit the placement of up to two (2) bays of collocater-provided fiber optic facilities and transmission equipment. Access to the collocation space will be via a common entry point and it shall be the sole responsibility of the collocater to provide for any additional security measures to protect its equipment. Such security measures shall be limited to covers or lockable cabinet doors placed directly on the equipment bays of the collocater.

The following charges shall apply for shared space collocation:

1. The recurring charge for two (2) bays in a shared space collocation shall be \$265.00 per month.
2. The nonrecurring charge for two (2) bays in a shared space collocation shall be \$5,300.00.
3. The infrastructure charge for shared space collocation shall be \$25,000.00 and will be refunded on a prorated basis to the first five shared space collocaters as additional shared space collocaters utilize shared space

collocation at that location within 60 months of when the billing for the first shared space collocation space at that location begins, based on the proration schedule set forth above for physical collocation.

If TCG requests and Pacific provides a shared collocation arrangement as described above, and no other collocator orders and places its equipment in such shared space arrangement within two (2) years after TCG collocates in such space, Pacific reserves the right to reconfigure such space into a suitable single-occupant collocation space. Upon request by Pacific, TCG will reasonably agree to such reconfiguration after one year has elapsed from the time TCG has collocated in such space. The reconfigured space shall only be large enough to enclose the two bays of equipment placed by TCG, along with adequate space for access to the cage, and any other safety standards normally applied to physical collocation facilities by Pacific. TCG will be charged a pro-rated monthly collocation space charge based on the square footage of the reconfigured space in proportion to a standard 10 foot by 10 foot collocation space. TCG will not be charged for the cost of reconfiguring the space. If, after two years from the first placement of a shared space collocation arrangement at TCG's request, such arrangements are on average no more than one-third occupied, the Parties agree to renegotiate Pacific's obligation to continue to offer shared space collocation arrangements.

C. Microwave Collocation

Where technically feasible, Pacific will provide for physical collocation of microwave equipment (limited to transport and termination equipment) necessary for interconnection of TCG's network facilities to Pacific's network or access to unbundled network elements on the roofs of Pacific's Wire Centers. Such collocation shall be provided in accordance with the rates, terms and conditions set forth above with respect to physical collocation, plus reasonable recurring and nonrecurring rates for placement of the microwave equipment.

D. POT Bay Engineering

The Parties agree that TCG will engineer and pre-provision its side of the POT Bay in physical (including shared space) collocation arrangements.

E. Virtual Collocation.

Pacific will provide for virtual collocation only where and if Pacific has demonstrated and the Commission has determined that physical collocation is not practical for technical reasons or because of space limitations.

Rates and terms for virtual collocation will be made available on a reasonable and non-discriminatory basis. Rates for virtual collocation will be approximately the same as physical collocation. The Parties agree to cooperate in selecting equipment and establishing installation and operating procedures for virtual collocation in the event that the use of virtual collocation becomes necessary.

The Parties agree that the equipment used in a virtual collocation space shall be purchased by TCG and then sold to Pacific for one dollar (\$1.00). TCG shall retain the right to repurchase the equipment from Pacific for one dollar (\$1.00).

F. Mid-Span Meet Arrangements

The Parties may also choose to interconnect via a Mid Span Meet. Such interconnection shall be limited to facilities provided for the interconnection of any local exchange or jointly provided switched access traffic between the Parties.

1. Physical Arrangements of Mid Span Meets: In a Mid Span Meet, each Party extends its facilities to meet the other Party. The point where the facilities meet is the Mid Span point. Each Party bears its own costs to establish and maintain a Mid Span Meet arrangement. However, the Parties also agree that a technical arrangement for a Mid Span Meet may involve one Party placing and extending its fiber facilities to the Wire Center of the other Party, with sufficient additional length on the fiber to permit the receiving Party to terminate the fiber without requiring splicing of the fiber facilities prior to the terminal equipment in the receiving Party's Wire Center. In this situation, the Parties will negotiate reasonable compensation to be paid to the Party extending the facilities for the associated labor, materials, and conduit space used in extending its facilities beyond a negotiated Mid Span point.
2. Engineering Specifications: The Parties agree to establish technical interface specifications for Mid Span Meet arrangements that permit the successful interconnection and completion of traffic routed over the facilities that interconnect at the Mid Span Meet. The technical specifications will be designed so that each Party may, as far as is technically feasible, independently select the transmission, multiplexing, and fiber terminating equipment to be used on its side of the Mid Span Meet. Requirements for such interconnection specifications will be defined in joint engineering planning sessions between the Parties. The Parties will use good

faith efforts to develop and agree on these specifications within 90 days of the determination by the Parties that such specifications shall be implemented, and in any case, prior to the establishment of any Mid Span Meet arrangements between them. In the event the Parties cannot agree on the technical specifications required, the Parties will, after discussion at the Vice Presidential level, interconnect with each other using one of the other interconnection arrangements defined elsewhere in this Agreement.

3. **Maintenance Responsibilities:** Each Party will be responsible for maintaining its network on its side of the Mid Span point. In the case where a maintenance problem must be resolved in the fiber span between the Parties, the Party with access to the manholes, vaults or conduit space will dispatch maintenance personnel to perform any necessary trouble isolation and repair activities. The Party performing the maintenance activity in the fiber span may bill the other Party for such activity at one-half the hourly labor rate specified in the Maintenance of Service section of this Agreement. Should both Parties have maintenance access to some portions of the manholes, vaults or conduit space on the Mid Span Meet facility arrangement, they will cooperatively determine which Party will perform any trouble isolation or maintenance activities during the initial contact between them when a maintenance problem has occurred.

Prior to the establishment of any Mid Span Meet arrangement, the Parties agree to jointly develop all additional necessary requirements for such interconnection, including but not limited to such items as control and assignment of facilities within the fiber Mid Span Meet arrangement, network management requirements, and operational testing and acceptance requirements for installation of Mid Span Meets.

XII. JOINT PROVISION OF WSP ACCESS

Under the terms of this Section, the Parties will use the Local Interconnection Trunk Groups for the origination and termination of WSP traffic where such traffic is originated or terminated between the Parties in connection with the delivery of that WSP's traffic under an interconnection agreement between the WSP and one of the Parties (e.g., Type 2A interconnection). Unless otherwise agreed herein, the Parties also agree to only route such jointly provided traffic according to routing specifications as established in the LERG.

- A. The Parties agree to renegotiate the terms of this Section if and when:
1. the Commission or the FCC issues a ruling that requires the mutual exchange of traffic between WSPs and LECs without explicit compensation or substantially changes physical network or interconnection requirements between LECs and WSPs; or
 2. either Party voluntarily enters into an arrangement with a WSP for mutual exchange of traffic without explicit compensation.
- B. The following compensation terms apply where the Party providing the tandem function bills and receives revenues from the WSP.
1. Land-to-mobile traffic.
 - a. Where the WSP selects the LM2 option and the end office Party routes the call to the other Party's tandem, the tandem Party will pay the end office Party its tariffed intrastate Switched Access rates, including Local Switching, Network Interconnection Charge, and any applicable Local Transport charges.
 - b. Where the WSP selects the LM2 option and the end office Party has no available route other than through its own tandem to reach the tandem Party, the tandem Party will pay the end office Party its tariffed intrastate Switched Access rates, as in 1.a, above, plus its Tandem Switching and Tandem Switched Transport rates, based on mileage from the POI of the Local Interconnection Trunk Group between the Parties' tandem switches and the end office where the call terminates.
 - c. Where the WSP selects the LM1 option, the end office Party will pay the tandem Party the Transit Rate specified in the reciprocal compensation section of this Agreement.
 - d. Where the tandem Party pays call termination charges under reciprocal compensation terms, the Party providing the end office function will pay the tandem Party the Transit Rate specified in the reciprocal compensation section of this Agreement plus the call termination charges paid to the WSP. However, if these call termination charges exceed \$0.01 per minute of use, the Parties will renegotiate this paragraph

2. Mobile-to-land traffic.

- a. Where the tandem Party routes the WSP call directly to the end office where the call terminates, the tandem Party will pay the end office Party its tariffed intrastate Switched Access rates as specified in 1.a. above.
- b. Where the tandem Party routes the WSP call through a tandem of the end office Party, the tandem Party will pay the end office Party its tariffed intrastate Switched Access rates as in 1.a. above, plus its Tandem Switching and Tandem Switched Transport rates, based on mileage from the POI of the Local Interconnection Trunk Group between the Parties' tandem switches and the end office where the call terminates.

3. Paging traffic

For the purposes of this Agreement, paging traffic shall refer to that traffic delivered to paging companies using dedicated NPA-NXXs under a WSP interconnection agreement. The tandem Party will pay the end office Party \$0.01 per call, where the paging traffic is delivered under an LM2-like arrangement (e.g., LP2) with the paging service provider.

- C. The Party who has the signed interconnection agreement with the WSP shall supply the other Party with a list of NPA-NXXs where the LM2 billing option has been chosen on a monthly basis.
- D. These compensation terms do not affect other compensation terms in this Agreement, except that the Parties shall separately measure the WSP minutes of use subject to the provision of this Section and shall exclude such minutes of use from their respective PLU reports.
- E. Compensation due to the Party providing the end office function as described in this Section shall be paid within 45 calendar days of the receipt of revenues from the WSP by the Party providing the tandem function.

Payment after such 45 calendar days will be subject to late payment charges as set forth in Pacific's Schedule Cal. P.U.C. Tariff No. 175-T, Section 2.4.1.B and in TCG's tariff Cal. P.U.C. Schedule B-1 Section 9.2.

- F. The Party providing the end office function may request an audit of the Party providing the tandem function's usage measurements for jointly provided service

under this Section. The audit will be in accordance with the terms of this Agreement.

- G. The Parties agree to separately identify, and forecast to each other, the traffic cooperatively provided under this Section pursuant to the local interconnection forecasting Section of this Agreement

XIII. MEET POINT BILLING ARRANGEMENTS

- A. For the purposes of this Section, the Parties agree that tandem and end office subtending arrangements shall be according to LERG with respect to interconnection between the Parties for jointly-provided Switched Access arrangements, except as mutually amended by the Parties as shown in Attachment A. The Parties agree that where they jointly provide Switched Access services to third parties, they will share revenues received for such services in the following manner:

- 1. The tandem Party will bill the Switched Access customer on behalf of both Parties, based on the respective Switched Access rates of the Parties (single bill, multiple tariff). The Parties will cooperate in establishing the methodology for use of the single bill, multiple tariff option. The Parties agree that good faith efforts shall be used to implement the single bill, multiple tariff option within 90 days of execution of this Agreement.

When Pacific is the tandem Party, it will bill on a single bill, single tariff based on TCG's concurrence in Pacific's tariffs, until the single bill, multiple tariff option is implemented by Pacific.

- 2. The rate elements from the end office Party's tariffs that are included in the single bill will be:
 - a. Local Switching;
 - b. Carrier Common Line (if applicable);
 - c. Residual Interconnection Charge/Network Interconnection Charge (if applicable);
 - d. Tandem Switched Transport (per mile) as appropriate, in proportion to the amount of transport provided;
 - e. Tandem Switched Transport (fixed), 0 or 50%, as appropriate;
 - f. And any other approved local switching rate elements from its tariffs;

3. The rate elements from the tandem Party's tariffs included in the single bill will be:
 - a. Tandem Switching (per minute);
 - b. Tandem Switched Transport (per mile) as appropriate, in proportion to the amount of transport provided;
 - c. Tandem Switched Transport (fixed), 50% or 100%, as appropriate;
 - d. And any other approved tandem rate elements from its tariffs;

Billing of the Entrance Facility rate element, if applicable, will be included on the Switched Access customer's normal facility bill.

4. Where the tandem Party switches directly to the end office Party's end office, the tandem Party will remit to the end office Party 85% of the revenues for intrastate calls and 80% of the revenues for interstate calls the end office Party would have received for end office functions had the end office Party provided the Switched Access service entirely over its own network, based on its approved access tariffs. Where the tandem Party switches to the end office Party's tandem, the tandem Party will remit to the end office Party 100% of the revenues the end office Party would have received for all tandem and end office functions had the end office Party provided the Switched Access service entirely over its own network, based on its approved access tariffs. This arrangement was reached in order to create economic conditions that will allow for the competitive provision of tandem services.

In the event that the Commission or the FCC modifies the current Switched Access rate structures, redirects the allocation of cost recovery between rate elements under the current structure, or allows Pacific to change its Switched Access rates in any way, the Parties will renegotiate the percentage of the revenues to be received by the end office Party under this Section, with the objective to be to ensure that the ratio of revenues retained by the tandem Party, per minute of use, is no less than the ratio of revenues that would be retained when applying the percentages in this subsection to Pacific's Switched Access tariffs in effect on the date this Agreement is signed. In such negotiations, the Parties shall consider division of all Switched Access revenues (exclusive of entrance facilities), whether billed on a "bulk" basis or on a MOU basis.

The Parties expect that the Commission and the FCC will expeditiously realign cost recovery so that rates for Switched Access elements are more closely related to the costs for providing those elements. In the interim,

the Parties have agreed to the revenue arrangement described in this paragraph 4. This revenue sharing arrangement will end one year after the effective date of this Agreement, unless otherwise agreed by the Parties.

5. Where the tandem Party switches directly to the end office Party's end office and the POI for the Meet Point Trunk Group:
 - a. is in the Wire Center where the end office is located, the tandem Party receives 100% of the mileage-sensitive portion of tandem-switched transport; and
 - b. is in a Wire Center other than where the end office is located, the end office Party receives a proportionate share of the mileage-sensitive portion of tandem-switched transport, to be reviewed annually.

The Parties agree to file billing percentages in the National Exchange Carrier Association (NECA) Tariff FCC No. 4. TCG will file the initial data, and Pacific will concur in the percentages within 30 days.

- B. The Parties will bill Switched Access customers in accordance with the MECAB and MECOD guidelines, except that the Parties will divide revenues received with respect to Meet Point Billing in the manner described above. The Parties agree to work cooperatively to support the work of the OBF and to implement OBF changes to MECAB and MECOD in accordance with the OBF guidelines.
- C. The IXC receiving the single bill will send a single check to the tandem Party as the Party rendering the bill. The tandem Party will remit to the end office Party its portion of the access revenue as described above.
- D. The Parties will use reasonable efforts to create the ability to provide to each other, when requested, the Switched Access Detail Usage Data and/or the Switched Access Summary Usage Data required for the billing and/or validation of the jointly provided Switched Access such as Switched Access FGB and FGD. The Parties agree to provide this data to each other at no charge.
- E. Data Format and Data Transfer.
 1. The tandem Party shall provide to the end office Party, where requested, the billing name and billing address of all IXCs originating or terminating traffic at the end office Party's end office.