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2. In the collocation tariff filing, SWBT will identify augment activities that can be achieved within 15, 30 and 60 day intervals.
3. Revisions and clarifications to the Third Party Review Process, including specifying the requirement that the third party independently evaluate the space reservation by SWBT and collocated CLECs within the CO, and the procedure for appeal of the third party evaluation. Other revisions relating to selection of a third party engineer and timeframes for the Third Party Review Process may also be made.
4. During construction of caged collocation space, CLECs shall be permitted up to four (4) inspections during the construction of Active Central Office Switchroom Space or Other Central Office Space during normal business hours with a minimum of two (2) hours advance notification. If the construction interval is extended beyond the tariffed or agreed upon interval, CLECs will be granted two additional visits per 30 day extension.
5. Ancillary charges for unique CLEC requests for collocation options directly attributable to the requesting carrier will not be prorated. Examples include power arrangements, remote switch module related options and POT bay related options. Non-carrier specific ancillary charges shall be prorated in accordance with FCC requirements. (FCC – Para. 41)
6. Application fees for various collocation options will be established in the tariff proceeding.
7. Revisions relating to space reservation procedures pursuant to the FCC Order and this agreement, including the removal of obsolete unused equipment from the CO upon reasonable request by a competitor or upon order by the Commission. Revisions to clarify that reservation of space by SWBT for future use shall be reasonable and consistent with the FCC Order and this agreement. (FCC – Para.'s 57-60)

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8. Revisions to reflect the FCC Order provisions on types of equipment that can be collocated, and revisions to expedite the procedure for addition and removal of equipment by a CLEC within its designated collocation space. CLECs will certify NEBS Level 1 safety compliance. If it is determined that the equipment is not NEBS Level 1 safety compliant, the CLEC will be responsible for removal of the equipment and all resulting damages. (FCC - Paras. 28-30)
9. Revisions to make the use of a POT frame optional. (FCC Para. 42)
10. Protest language in the tariffs will be removed.

C. Collocation Space Available

1. SWBT agrees to implement the FCC's rules relating to collocation space availability. (FCC - Paras. 57-60)
2. SWBT will notify the CLEC as to whether its request for collocation space has been granted or denied due to lack of space within 10 days of submission of the completed application. In the event of a denial, and within 10 days of the submission of the application, SWBT must submit to the CLEC a report indicating SWBT's available collocation space in a particular "eligible structure". The report must specify the amount of collocation space available at each requested "eligible structure," the number of CLECs collocating, and any modification in the use of the space since the last report. The report must also include measures that SWBT is taking to make additional space available for collocation. The Commission will permit SWBT to recover the costs of implementing this reporting measure from the CLECs in a reasonable manner. (FCC - Para. 58)
3. In the event that SWBT denies a collocation request due to space constraints, the CLEC may request a tour of the entire "eligible structure" in question (not just the room in which space was denied) without charge, such tour to take place within 10 days of the denial of space. If after the tour of the "eligible structure," SWBT and the CLEC disagree about

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whether space limitations at that "eligible structure" make collocation impractical, the CLEC may initiate a Third Party Review Process, with ultimate review, if necessary by the Commission. In the event a third party or the Commission determines that space is not available, SWBT will not be required to conduct a review of floor space availability in that same central office more frequently than once every six months. For SWBT central offices where space for collocation has been determined by a third party or the Commission to be exhausted, any changes in space availability will be posted on the Internet and provided to the CLECs in an Accessible Letter within 30 days. (FCC - Para. 57)

4. SWBT shall maintain a publicly available document for viewing on the Internet indicating its "eligible structures," if any, that are full; SWBT must update this document within 10 days of the date at which a "eligible structure" runs out of physical collocation space. The Commission will permit SWBT to recover the costs of implementing this requirement from the CLECs in a reasonable manner. (FCC – Paras. 57 & 58)
5. In order to increase the amount of space available for collocation, SWBT must remove obsolete unused equipment from its "eligible structure" upon reasonable request by a CLEC or upon order of the Commission. (FCC – Para. 60)
6. When initially denying a collocating request by a CLEC, SWBT will provide the Commission with a copy of the denial provided to the CLEC unless the CLEC waives the necessity for such filing. In the event of a denial of a CLEC's request for collocation, SWBT shall also submit to the Third Party Reviewer a copy of the report requested by the CLEC and the following information in support of its denial, provided under seal and subject to proprietary protections:
 - a. Central Office Common Language Identifier, where applicable;

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- b. The identity of the requesting CLEC, including amount of space sought by the CLEC;
- c. Total amount of space at the premises;
- d. Detailed Floor plans, including measurements of SWBT's premises, showing:
 - i. Space housing SWBT network equipment or administrative offices;
 - ii. Space which does not currently house SWBT equipment or administrative offices but is reserved by SWBT for future use;
 - iii. Space occupied by or reserved for Collocators;
 - iv. Space, if any, occupied by third parties for other purposes;
 - v. Remaining space, if any;
 - vi. Identification of turnaround space for the switch or other equipment;
 - vii. Planned Central Office rearrangement/expansion plans, if any; and
 - viii. Description of other plans, if any, that may relieve space exhaustion;
- e. Other relevant information requested by the Third Party Reviewer.

D. Types of Available Physical Collocation Arrangements.

SWBT agrees to make each of the arrangements outlined below available within its "eligible structures" in accordance with its approved collocation tariffs so that CLECs will have a variety of collocation options from which to choose. At the option of the CLEC customer, SWBT will provide the following alternate types of physical collocation:

1. Caged Physical Collocation (Dedicated Space). SWBT will provide CLECs with caged physical collocation consistent with the terms of the Physical Collocation Tariff.
2. Shared Physical Collocation. SWBT will provide CLECs with shared physical collocation, where 2 or more CLECs can share a caged collocation space within the "eligible structure." SWBT will not increase the cost of site

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preparation or nonrecurring charges above the cost for provisioning such a cage of similar dimensions and material to a single collocating party. SWBT will prorate the charge for site conditioning and preparation undertaken to construct the shared collocation cage or condition the space, and allocate that charge to each CLEC based upon the percentage of total space utilized by each CLEC. SWBT will not unreasonably restrict a CLEC's use of a shared collocation cage. SWBT will permit each CLEC to order UNES to and provision service from the shared collocation space, regardless of which CLEC was the original collocator. (FCC - Para. 41)

3. Cageless Physical Collocation. SWBT will provide CLECs with cageless physical collocation in any unused space not reserved for future growth within the "eligible structure." SWBT will provide CLECs with an entrance to the central office premises, and once inside, the CLECs will have direct access to their equipment. SWBT will make cageless physical collocation space available in single-bay increments. SWBT will not require CLECs to use an intermediate interconnection arrangement, such as a POT frame. SWBT may, at its option, take reasonable steps to protect its own equipment, such as enclosing it with a wall or cage separating it from the cageless physical collocation space. If there is not sufficient space for SWBT to separate its equipment from the cageless physical collocation space by a wall or cage, SWBT may separate its equipment from the CLEC equipment by tape on the floor or other markings that are not physical separations. Accordingly, SWBT will not provide CLEC personnel or agents with direct access to SWBT's main distribution frame. (FCC - Paras. 42 & 43)
4. Adjacent Space Collocation. When space is legitimately exhausted inside a SWBT "eligible structure," SWBT will permit CLECs to physically collocate in adjacent controlled environmental vaults or similar structures to the extent technically feasible. SWBT will permit CLECs to construct or otherwise procure such adjacent structure, subject only to reasonable safety and maintenance requirements, and zoning

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and other state and local regulations. SWBT will provide power and physical collocation services to such adjacent structures, subject to the same requirements as other collocation arrangements in the tariff. (FCC - Para. 44)

5. Other Physical Collocation Arrangements. SWBT will provide other collocation arrangements that have been demonstrated to be technically feasible on another ILEC premises, unless the SWBT "eligible structure" cannot support the arrangement because of either technical reasons or lack of space. (FCC - Para. 45)

E. Security (Applicable to the Physical Collocation Arrangements as set forth in Section D preceding)

1. Protection of SWBT's equipment is crucial to its ability to offer service to its customers. Therefore, SWBT will impose reasonable security measures to assist in protecting its network and equipment from harm. (FCC - Para. 48)
2. CLECs will conduct background checks of their personnel and technicians who will have access to collocation space. CLEC technicians will be qualified by SWBT in the same way as SWBT qualifies authorized contractors. CLEC personnel and technicians will undergo the same level of security training, or its equivalent that SWBT's own employees and authorized contractors must undergo. (FCC - Para. 48)
3. Disciplinary procedures will be established to ensure the safety and integrity of the "eligible structure" including but not limited to, procedures that require the responsible CLEC employee to be terminated for certain specified actions that damage or place the network or equipment of SWBT or other CLECs in jeopardy.
4. CLECs will provide indemnification and insurance to cover any damages caused by the CLECs' technicians at a level commensurate with the indemnification and insurance provided by SWBT authorized contractors with equivalent access.

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5. SWBT may use reasonable security measures to protect its equipment, including enclosing its equipment in its own cage, security cameras or other monitoring devices, badges with computerized tracking systems, identification swipe cards, keyed access, and/or logs, as appropriate for the "eligible structures" where collocation will take place. The Commission will permit SWBT to recover the costs of implementing these security measures from the CLECs in a reasonable manner. (FCC - Para. 48)
 6. CLECs will have access to their collocated equipment 24 hours a day, seven days a week, without a security escort. The CLEC shall provide SWBT with notice at the time of dispatch of the CLEC's own employee or contractor, to an eligible structure and, if possible, no less than 30 minutes notice for a manned structure and 60 minutes notice for an unmanned structure. SWBT will provide CLECs with reasonable access to restroom facilities and parking. (FCC - Para. 49)
- F. Concurrent with the filing of the revised Physical Collocation Tariff, SWBT will amend Section 26 of its Virtual Collocation Tariff to reflect the agreement in the 271 proceeding to eliminate provisions related to the transfer of title of virtually collocated equipment from CLECs to SWBT. This tariff will also be amended to include the options set forth below and to remove the protest language.
- G. Types of Available Virtual Collocation Arrangements.
- At SWBT's option in central offices, and at SWBT's option in other eligible structures where physical (including cageless) collocation space is available, or at the CLEC's option in CEVs, huts and cabinets where physical collocation space is not available, SWBT will provide one of the following alternate types of virtual collocation:
1. Virtual Collocation wherein SWBT maintains and repairs the collocation equipment, consistent with the terms of the amended Section 25 of its Virtual Collocation Tariff.

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2. Virtual Collocation wherein the CLEC maintains and repairs the virtually collocated equipment. SWBT will provide a security escort with the CLEC paying the expense for the escort. In areas defined in SWBT's local exchange tariff as rate groups 5, 6, 7 and 8, SWBT will provide the security escort within 1 hour of notification by the CLEC. In areas defined in SWBT's local exchange tariff as rate groups 1, 2, 3, and 4, SWBT will provide the security escort as soon as reasonably possible, or within the time frame agreed to by the parties, at the time of notice. Notice will be provided to SWBT's Local Operations Center, which will be available to receive notice 24 hours a day, 7 days a week. The CLEC shall conduct background checks of the technicians who have access to the collocation space. The technicians shall be qualified by SWBT in the same way as SWBT qualifies equipment suppliers with equivalent access. Disciplinary procedures shall be established to ensure the safety and integrity of the "eligible structure," including, *e.g.*, procedures that require the responsible employee to be terminated for certain specified actions that damage or place the equipment of SWBT or other CLECs in jeopardy. SWBT may use security devices, *e.g.*, identification swipe cards, keyed access, and/or logs, as appropriate for the "eligible structure" where collocation will take place. The Commission will permit SWBT to recover the cost of such security devices from the CLECs in a reasonable manner. The CLEC shall provide indemnification and insurance to cover any damages caused by the CLEC's technicians at a level commensurate with the indemnification and insurance provided by SWBT equipment suppliers with equivalent access. Provisioning of equipment required for virtual collocation, *e.g.*, power arrangements and interconnection arrangements will be provided in accordance with SWBT's Virtual Collocation Tariffs and interconnection agreements. In the event the FCC determines that SWBT may not require a security escort, then this Virtual Collocation option is no longer available to the CLEC.

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- H. Types of Equipment to be Physically or Virtually Collocated.
1. SWBT agrees to allow collocation of all equipment used and useful for interconnection or access to unbundled network elements, regardless of whether such equipment includes a switching functionality, provides enhanced services capabilities, or offers other functionalities. SWBT will permit the collocation of equipment such as DSLAMs, routers, ATM multiplexers, and remote switching modules in SWBT "eligible structures." SWBT may not place any limitations on the ability of CLECs to use all the features, functions, and capabilities of collocated equipment, including but not limited to, switching and routing features and functions. SWBT may deny the collocation of equipment that is not necessary for either access to unbundled network elements or for interconnection, such as equipment used exclusively for switching or enhanced services. The collocating CLEC will certify in writing to SWBT that the equipment is used and useful for interconnection or access to unbundled network elements. (FCC – Paras. 28-30)
 2. SWBT will require that all equipment to be collocated in SWBT's "eligible structures" meets NEBS Level 1 safety requirements, but SWBT may not impose safety requirements on the CLECs that are more stringent than the safety requirements it imposes on its own equipment. (FCC – Para. 36)
 3. SWBT may not deny collocation of CLEC equipment because the equipment fails to meet NEBS reliability standards. (FCC – Para. 35)
- I. In each application for collocation, the CLEC shall submit a prioritized list of its preferred methods of collocating, consistent with the options outlined in Section I.D. In responding to such a request, SWBT shall advise the CLEC which of its preferred types of collocation is available and provide a price quote within the time interval defined in the tariff.

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- J. SWBT agrees to conform its Technical Publication(s) on Collocation to this agreement and to the amended tariffs within 45 days of Commission approval of the amended tariffs, and to submit the revised Technical Publication(s) to the Commission for approval prior to publication.

II. Provision of Unbundled Network Elements

- A. Except as modified below, SWBT agrees to make all unbundled network elements (UNEs) set forth in the AT&T Interconnection Agreement available for the term of the Proposed Interconnection Agreement.
- B. SWBT will, except as provided in this section, continue to provide combinations of network elements consistent with its obligations in the AT&T Interconnection Agreement at the applicable charges set forth in the AT&T Interconnection Agreement. For preexisting combined elements, SWBT will not apply a Central Office Access Charge but will apply all other recurring and nonrecurring charges and the electronic service order charge. For combinations requiring work by SWBT, the applicable recurring and nonrecurring charges will apply together with the Central Office Access Charge.
- C. **For service to business customers**, beginning two years after the Commission approves the Proposed Interconnection Agreement:
 - 1. If the FCC or the Commission determines or has determined that a certain network element need not be provided under Section 251(c)(3) of the FTA, either statewide or in a particular location or locations, SWBT may set the price of such network element(s) at a market level for the applicable areas.
 - 2. If the FCC or a court modifies or has modified the TELRIC methodology applicable to unbundled network elements, SWBT may renegotiate the applicable prices for unbundled network elements provided pursuant to Section 251(c)(3).

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3. In those SWBT central offices where there are four (4) or more CLECs collocated for which SWBT has provided UNEs, SWBT may elect to not combine UNEs that are not already combined in that central office. In that event, SWBT will request that all CLECs provide a one (1) year forecast of their expected demand for UNEs in that central office which each CLEC will combine outside of its existing or planned collocation arrangements. Within sixty (60) days of receipt of a CLEC's forecast, SWBT will construct a secured frame room in the central office or, if space is not available, external cross connect cabinet until space becomes available in the central office at no additional cost to the CLEC where the CLEC may combine UNEs. If a CLEC submits such a forecast, SWBT will continue to combine UNEs until the secured frame room or external cross connect cabinet is made available to the CLEC. However, if at any time after a secured frame room or external cross connect cabinet is made available, SWBT is unable to meet a CLEC's forecasted demand for UNEs to be combined through use of these arrangements due to a lack of capacity, SWBT will resume combining UNEs for that CLEC until capacity can be provided. If a CLEC fails to submit such a forecast, SWBT will no longer combine UNEs that are not already combined.
 4. SWBT may not substitute the above described methods of combining UNEs for its own continued performance of such connections at cost based rates if the FCC or reviewing court has determined that the ILECs have an obligation to perform such connections.
- D. **For service to residential customers**, beginning three years after the Commission approves the Proposed Interconnection Agreement:
1. If the FCC or the Commission determines that a certain network element need not be provided under Section 251(c)(3) of the FTA, either statewide or in a particular location or locations, SWBT may set the price of such network element(s) at a market level for the applicable

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areas. In pricing the unbundled network element platform under this provision, SWBT shall not increase the total price of the platform by more than twenty (20) percent each year.

2. If the FCC or a court modifies or has modified the TELRIC methodology applicable to unbundled network elements, SWBT may renegotiate the applicable prices for those unbundled network elements provided pursuant to Section 251(c)(3).
- E. To the extent the FCC by rule or the Commission by arbitration, authorizes new unbundled network elements, SWBT will provide such elements, consistent with the terms of this Section, pursuant to a negotiated or arbitrated appendix to the Proposed Interconnection Agreement.
- F. Consistent with its obligations under the AT&T Interconnection Agreement and this Section, SWBT will provide dark fiber as an unbundled network element subject to the provisions of Section II.C.
- G. Enhanced Extended Loop (EEL)
- Consistent with Sections II. C.1. and 2. and II. D. 1. and 2. above:
1. SWBT agrees to combine unbundled loops with unbundled dedicated transport as described herein to provide enhanced extended loop. SWBT will cross-connect unbundled 2 or 4-wire analog or 2-wire digital loops to unbundled voice grade/DS0, DS1, or DS3 dedicated transport facilities (DS0 dedicated transport is only available between SWBT central offices) for the CLEC's provision of circuit switched or packet switched telephone exchange service to the CLECs' own end-user customers. SWBT will also cross-connect unbundled 4-wire digital loops to unbundled DS1, or DS3 dedicated transport facilities for the CLEC's provision of circuit switched telephone exchange service to the CLECs' own end-user customers.

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2. The dedicated transport facility will extend from the CLEC customer's SWBT serving wire center to either the CLEC's collocation cage in a different SWBT central office (in which case, no dedicated transport entrance facility is necessary) or to the CLEC's point of access through a dedicated transport entrance facility. CLECs must order the dedicated transport facility, with any necessary multiplexing, from the CLEC's collocation cage or the CLEC's switch location to the wire center serving the CLEC's end user customer. The CLEC will order each loop as needed and provide SWBT with the Channel Facility Assignment (CFA) to the dedicated transport.
3. Alternatively, a CLEC may cross-connect unbundled loops with the unbundled dedicated transport facilities in its physical collocation space utilizing its own equipment or through the secured frame room in the central office, or if space is not available, in an external cross-connect cabinet until space becomes available in the central office. CLECs wishing to use this option will provide a rolling 12 month forecast, updated every six (6) months, of their expected demand for unbundled loops to be connected with the unbundled dedicated transport facilities in each central office in which the CLEC will combine outside of its existing or planned collocation arrangements. Within sixty (60) days of receipt of a CLEC's forecast for a given central office, SWBT will construct, at no additional cost to the CLEC, a secured frame room in the central office, or, if space is not available, external cross connect cabinet until space becomes available in the central office, where the CLEC may combine unbundled loops with the unbundled dedicated transport facilities. If a CLEC submits such a forecast, SWBT will temporarily combine unbundled loops with the unbundled dedicated transport facilities until the secured frame room or external cross connect cabinet is made available to the CLEC. When the secured frame room or external cross connect cabinet is made available, the CLEC will, within ninety (90) days after providing a forecast for a particular central office or thirty (30) days after receiving appropriate terminal assignment information

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to place connections on the secured frame, whichever is later, replace the temporary connections made by SWBT, effectively half-tapping the existing temporary connections so that the temporary connection can be removed without interrupting the end user's service. When notified by the CLEC that its connections are complete within the period described above, SWBT will remove its temporary connections. If the CLEC fails to notify SWBT that it has placed its connections on the secured frame during that period, SWBT will charge the CLEC the applicable special access recurring and nonrecurring rates, in lieu of the UNE rates. Such special access charges shall be retroactive to the date SWBT began combining the UNEs for the CLEC pursuant to this paragraph. If at any time after a secured frame room or external cross connect cabinet is made available, SWBT is unable to meet a CLEC's forecasted demand for use of these arrangements due to a lack of capacity, SWBT will again temporarily combine unbundled loops with the unbundled dedicated transport facilities as an interim arrangement for that CLEC until capacity can be provided. When capacity is made available, temporary connections performed by SWBT will be removed as described above.

If a CLEC submits forecasts pursuant to this section, and fails to meet fifty percent (50%) of its submitted forecast for any central office, such CLEC will pay SWBT the reasonable costs associated with the unused capacity of the secured frame for that office.

- H. The Proposed Interconnection Agreement will provide that for purposes of this Section and, for the time period(s) specified in this Section, SWBT agrees to waive the right to assert that it need not provide pursuant to the "necessary and impair" standards of Section 251(d)(2), a network element now available under the terms of the AT&T Interconnection Agreement and/or its rights with regard to the combination of any such network elements that are already assembled. Except as provided in subsection (E) above, any CLEC wishing to "opt into" the UNE provisions of the Proposed Interconnection

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Agreement agrees that the UNE provisions of the Proposed Interconnection Agreement are non-severable and "legitimately related" for purposes of Section 252(i). Accordingly, any requesting CLEC agrees to take the UNE provisions of the Proposed Interconnection Agreement in their entirety, without change, alteration or modification, waiving its rights to "pick and choose" UNE provisions from other agreements under Section 252(i). This mutual waiver of rights by the parties will constitute additional consideration for the Proposed Interconnection Agreement.

SWBT's agreement as set out above is expressly conditioned on a finding by the Commission that the UNE provisions of the Proposed Interconnection Agreement are non-severable and "legitimately related" for purposes of Section 252(i).

Any CLEC that does not wish to take the UNE provisions of the Proposed Interconnection Agreement may exercise its rights under Section 252(i) to "opt into" other "legitimately related" sections or portions of the Proposed Interconnection Agreement

III. Appeals

- A. SWBT agrees to dismiss with prejudice its appeal SWBT v. AT&T and the Public Utility Commission of Texas, Case Nos. 98-51005, 99-50060, and 99-50073, U.S. Court of Appeals, Fifth Circuit.
- B. SWBT will remove the protest language from the Physical and Virtual Collocation Tariffs. SWBT will not include any protest language in the Proposed Interconnection Agreement.
- C. SWBT reserves all rights to contest any order or decision requiring the payment of reciprocal compensation for ISP traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval.
- D. SWBT reserves the right to appeal any state or federal regulatory decision, but, absent a stay or reversal, will comply with any such final decision as expressly set forth herein.

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- E. Nothing in this Agreement limits SWBT's right or ability to participate in any proceedings regarding the proper interpretation and/or application of the FTA.

IV. Reciprocal Compensation

The Proposed Interconnection Agreement will provide the following options for reciprocal compensation:

- A. A CLEC may "MFN" into the reciprocal compensation arrangements contained in the existing AT&T interconnection agreement for the life of that agreement.
- B. A CLEC may elect either of the following:
 - 1. SWBT offers and a CLEC may elect, subject to mutually agreeable audit provisions, a reciprocal compensation arrangement for the transport and termination of local wireline traffic based upon a bill and keep arrangement and a meet point billing arrangement for ISP traffic, or in the alternative;
 - 2. A CLEC may elect to negotiate, and if necessary submit for arbitration, alternative reciprocal compensation arrangements for the transport and termination of local wireline traffic and ISP traffic as allowed by federal law.

V. xDSL-Based and Other Advanced Services Technology ("Loop Technologies")

- A. For loop technologies that comply with existing industry standards will be presumed acceptable for deployment, including: T1.601, T1.413, and TR28. Additionally any loop technology specifically approved by the FCC or any state regulatory commission; a technology approved by an industry standards body; a technology which has been successfully deployed by any carrier without significantly degrading the performance of other services will be presumed acceptable for deployment.

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1. The term "significantly degrade" means noticeable impairment of service from a user's perspective. The Commission shall determine whether a technology significantly degrades the performance of other services. As industry standards are ratified for new technologies, such technologies will be presumed acceptable for deployment.
 2. CLECs wishing to introduce a technology that has been approved by another state commission, or successfully deployed elsewhere will provide documentation to SWBT and the Commission before or coincident with their request to deploy such technology. Documentation should include the date of state approval or deployment of the technology, any limitations included in its deployment, and proof that deployment did not significantly degrade the performance of other services.
- B. SWBT shall not deny a carrier's request to deploy any of the loop technologies listed in paragraph A. above unless it has demonstrated to the Commission that the CLEC's deployment of its loop technology will significantly degrade the performance of other advanced services or traditional voice band services. In the event SWBT rejects a CLEC request for provisioning of advanced services, SWBT must disclose to the requesting carrier information with respect to the rejection, together with the specific reason for the rejection.
- C. For a twelve-month period commencing on the date of Commission approval of the Proposed Interconnection Agreement, a CLEC may order loops for the provision of service other than those listed in Paragraph A. above on a trial basis without the need to make any showing to the Commission. Each technology trial will not be deemed successful until it has been deployed without significant degradation for 12 months or until national standards have been established, whichever occurs first. A CLEC that provisions loop technologies described in this Section shall assume full and sole responsibility for any damage, service interruption or other telecommunications service degradation effects and will indemnify SWBT for any damages to SWBT's facilities, as well

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as any other claims for damages, including but not limited to direct, indirect or consequential damages made upon SWBT by any provider of telecommunications services or telecommunications user (other than any claim for damages or losses alleged by an end-user of SWBT for which SWBT shall have sole responsibility and liability), when such arises out of, or results from, the use of such loop technologies, described in this Section C. Further, the CLEC agrees that it will undertake to defend SWBT against and assume payment for all costs or judgments arising out of any such claims made against SWBT resulting from the provisioning of services under this Section C. SWBT shall provide the same indemnification should it provide services under Section C.

The CLEC deploying loop technology pursuant to this Section, as well as any CLEC opting into the "Proposed Interconnection Agreement," agrees not to contend in any other state that the loop technology deployed on a trial basis pursuant to this Section has been "successfully deployed" as that term is used in paragraph 67 of FCC 99-48.

- D. One year from date of Commission approval of the Proposed Interconnection Agreement for deployment of loop technologies other than those listed in paragraph A. above, SWBT will not deny a requesting CLEC's right to deploy a new loop technology if the requesting CLEC can demonstrate to the Commission that the loop technology will not significantly degrade the performance of other advanced services or traditional voice band services. (FCC 99-48 Para. 69)
- E. SWBT will not guarantee that the local loop ordered will perform as desired by the CLEC for XDSL-based or other advanced services, but will guarantee basic metallic loop parameters including continuity, and pair balance.
- F. SWBT will assign loops so as to minimize interference between and among advanced services, including xDSL-based services, and other services. In all cases, SWBT will manage spectrum in a competitively neutral manner consistent with all relevant industry standards.

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- G. With respect to loop technologies included in paragraphs A, C and D above, and to the extent no national industry standards for spectrum management for these loop technologies have been issued, SWBT, CLECs and the Commission shall jointly establish long-term competitively neutral spectral compatibility standards and spectrum management rules and practices so that all carriers know the rules for loop technology deployment. The standards, rules and practices shall be developed to maximize the deployment of new technologies within binder groups while minimizing interference, and shall be forward-looking and able to evolve over time to encourage innovation and deployment of advanced services. These standards to be used until such time as [national] industry standards exist. CLECs that offer xDSL-based service consistent with mutually agreed-upon standards developed by the industry in conjunction with the Commission, or by the Commission in the absence of industry agreement, may order local loops based on agreed-to performance characteristics. SWBT will assign the local loop consistent with the agreed-to spectrum management standards.
- H. Within a reasonable period of time after general availability of equipment conforming to industry standards or the mutually agreed upon standards developed by the industry in conjunction with the Commission, a CLEC or SWBT providing non-standard xDSL or other advanced service must bring its service and equipment into compliance with the standard at its own expense.
- I. If SWBT or another CLEC claims that a service is significantly degrading the performance of other advanced services or traditional voice band services, then SWBT or that other CLEC must notify the causing carrier and allow that carrier a reasonable opportunity to correct the problem. Any claims of network harm must be supported with specific and verifiable supporting information. In the event that SWBT or a CLEC demonstrates to the Commission that a deployed technology is significantly degrading the performance of other advanced services or traditional voice band services, the carrier deploying the technology shall discontinue deployment of that technology

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and migrate its customers to technologies that will not significantly degrade the performance of other such services.

- J. SWBT agrees that as a part of spectrum management it will maintain an inventory of the existing services provisioned on the cable, and manage the spectrum in a non-discriminatory manner regardless of whether the service is provided by a CLEC or by SWBT. SWBT agrees that where disputes arise, it will put forth a good faith effort to resolve such disputes in a timely manner. As a part of the dispute resolution process SWBT concurs that it will disclose information as detailed in paragraph 2 below so that the involved parties may examine the deployment of services within the affected loop plant. [FCC 99-48 Para 73]
1. For xDSL-based and other advanced services technologies, a CLEC will advise SWBT of the type of specific technology(ies) (including PSD masks) the CLEC intends to provision over an unbundled SWBT loop.
 2. SWBT will disclose within 3 to 5 business days to a requesting CLEC information with respect to the number of loops using advanced services technology within the binder group and the type of technology deployed on those loops.
- K. Effective April 4, 1999, SWBT began providing mechanized access to a loop length indicator for use with xDSL-based or other advanced services in specific SWBT wire centers via enhancements to Verigate and Datagate upon a request by a CLEC which is collocated or has ordered collocation in a wire center and has advised SWBT of its intent to order DSL capable loops. This information, available through Verigate and Datagate, is an indication of the approximate loop length, based on a 26 gauge equivalent and calculated on the basis of Distribution Area distance from the central office.
- L. To the extent SWBT is technically able to access the following in its retail operations, SWBT will develop and deploy mechanized and integrated Operations Support Systems that will permit: (1) real-time CLEC access through an electronic

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gateway to a database that contains the loop makeup information; (2) mechanized, flow-through ordering, loop design, and provisioning for any xDSL loop type listed in the table above. SWBT, the Commission and CLECs shall jointly pursue, in a timely manner, an industry standard mechanized OSS solution to accessing loop qualification data. (271 approval is not contingent upon completion of this mechanized ordering OSS feature).

- M. SWBT shall provision and install CLEC loops at an interval that is at parity with the actual intervals achieved by SWBT retail or its affiliates.
- N. In the event that the FCC or the industry establishes long-term standards and practices and policies relating to spectrum compatibility and spectrum management that differ from those established pursuant to paragraph D. above, SWBT agrees to comply with the FCC and/or industry standards and practices and policies.

VI. MLT Testing

SWBT agrees to provide access to MLT testing to allow CLECs to test their end users' lines for which SWBT combines UNEs, for CLECs that combine UNEs they obtain from SWBT, and for CLECs that resell SWBT services as follows:

- A. On January 1, 1998 and January 1, 1997, respectively, SWBT made available MLT testing functionality through SWBT's Toolbar Trouble Administration to allow CLECs to test their end-user lines for which SWBT combines POTS-like UNEs (analog line side port and 2-wire 8db analog loop) purchased by CLEC from SWBT and CLEC's that resell SWBT POTS services.
- B. By March 31, 1999, SWBT will make MLT testing functionality available through its Toolbar Trouble Administration to allow CLECs to test their end user lines for CLEC's that combine POTS-like UNEs (analog line side port and 2-wire 8db analog loop) purchased from SWBT.

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VII. Performance Measurements

- A. 20 days prior to its filing with the FCC for interLATA authority under Section 271, SWBT will provide three months of validated data where the sample size is 10 or greater for each reported measurement per CLEC per month, that is collected and reported on a disaggregated basis for all the performance measurements established by the Commission in Project No. 16251, with the exception of those performance measures established after 1-1-99 and those which require new systems or modification of existing systems such as NXX and 911.
- B. 90% of the validated Tier-2 performance measurement results where the sample size is 10 or greater for each reported measurement per month aggregated for all CLECs should demonstrate parity or compliance with the associated benchmark for two months of the relevant three-month period. However, SWBT will not be responsible for CLEC acts or omissions that caused performance measures to be missed, e.g., accumulation and submission of orders at unreasonable quantities or times, and SWBT shall have the opportunity to present proof of such CLEC acts or omissions.
- C. SWBT agrees to the Performance Remedy Plan established in the collaborative process which is attached as Schedules 1, 2 and 3.
- D. The Commission will resolve the following issues as noted:
 - 1. The business rules for the Commission-approved performance measures will be completed by May 31, 1999 in Project 16251.
 - 2. Performance measure No. 2 for EDI pre-ordering and data validation for the performance measures will be addressed in Docket No. 20000, consistent with the time frames in that Docket.
 - 3. Performance measurements for xDSL will be finalized within 30 days after the Arbitrators' award in Docket Nos. 20226 and 20272 currently pending before the Commission.

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- E. It is the intention of the parties that no later than two years after SWBT or its affiliate receives Section 271 relief, the number of performance measures subject to damages and assessments should be reduced by at least 50%.
- F. SWBT will not be liable for the payment of either Tier 1 damages or Tier 2 assessments until the Commission approves the Proposed Interconnection Agreement between a CLEC and SWBT. Tier 2 assessments will only be paid on the aggregate performance for CLECs that are operating under the Proposed Interconnection Agreement.
- G. SWBT agrees with the revised performance measure standards for FOCs (Nos. 5 and 6); LNP (Nos. 1-11); Trunk Blockage (Nos. 70-71); and Trunk Measurements (Nos. 75 and 78); attached hereto as Schedule 4.
- H. In addition to the provisions set forth in the Performance Remedy Plan, SWBT shall not be obligated to pay liquidated damages or assessments for noncompliance with a performance measure if the Commission finds such noncompliance was the result of an act or omission by a CLEC that is in bad faith, for example, unreasonably holding orders and/or applications and "dumping" such orders or applications in unreasonably large batches, at or near the close of a business day, on a Friday evening or prior to a holiday, or unreasonably failing to timely provide forecasts to SWBT for services or facilities when such forecasts are required to reasonably provide such services or facilities; or non-SWBT Y2K problems.

VIII. Additional Agreement Terms

- A. SWBT has no obligation to implement the commitments set forth in this Memorandum unless the Commission finds that the terms and conditions of the Proposed Interconnection Agreement, when executed, meets the requirements of Section 271(c), conditioned only on the completion of Project No. 20000. Further, if the FCC rejects SWBT's 271 Application, or fails to approve SWBT's application by January 1, 2000, the commitments made in this Memorandum will be enforceable

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only for one-year from the date the Commission approves the Proposed Interconnection Agreement.

- B. Upon the FCC's approval of SWBT's 271 Application, the one-year term of the Proposed Interconnection Agreement will be automatically extended for an additional period of three years subject to the provisions of Section II (C) and (D), and Section III (C) and (D) of this Memorandum.
- C. SWBT agrees not to challenge the contractual commitments incorporating the terms and conditions of this Memorandum. To the extent that any other party or entity challenges the lawfulness of any provision of this Memorandum and a court determines that one or more provisions are unlawful, then this Memorandum and any contractual and regulatory commitments made pursuant to this Memorandum are null and void. In that event, the parties will have a period not to exceed 135 days in which to negotiate a replacement interconnection agreement.
- D. Along with the Proposed Interconnection Agreement, SWBT will file a document explaining its Section 252(i) "MFN" policy, outlining the sections or portions of the Proposed Interconnection Agreement that are "legitimately related" for purposes of allowing a CLEC to obtain access to any individual interconnection, service or network element available under the Proposed Interconnection Agreement.

ATTACHMENT 25: xDSL

1.0 Introduction

- 1.1 This xDSL Attachment sets forth the unbundled xDSL-Capable Loop offerings, and associated rates, terms and conditions, that SWBT will offer to CLEC for CLEC to use in conjunction with its desired xDSL technologies and equipment to provision xDSL services to its end-user customers. CLECs with a pre-existing interconnection agreement with SWBT may utilize this Attachment as a means to order xDSL-capable loops and provide xDSL service or by CLECs negotiating interconnection. The Parties acknowledge and agree that the terms and conditions set forth in this Attachment shall be subject to the final outcome of the following consolidated arbitration proceedings pending before the Texas Public Utility Commission ("Commission"): Petition of Accelerated Connections, Inc., d/b/a ACI Corp. ("ACI") for Arbitration to Establish an Interconnection Agreement with Southwestern Bell Telephone Company ("SWBT"), Docket No. 20226 and Petition of DIECA Communications, Inc., d/b/a Covad Communications Co. ("Covad") for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with SWBT, Docket No. 20272 ("the xDSL Arbitration") as more fully described in Section 10.1 of this Attachment.
- 1.2 When the results of the xDSL Arbitration become final, all of the rates set forth in this Attachment shall be subject to true-up retroactively to the effective date of this Agreement, except as otherwise stated in Section 9.2 of this Attachment.
- 1.3 Nothing in this Attachment shall constitute a waiver by either Party of any positions it may have taken or will take in any pending regulatory or judicial proceeding or any subsequent interconnection agreement negotiations. This Attachment also shall not constitute a concession or admission by either Party and shall not foreclose either Party from taking any position in the future in any forum addressing any of the matters set forth herein.
- 1.4 The Public Utility Commission of Texas ("Commission") is not a Party to this Agreement, including this Attachment, and shall not be bound by any of the duties or obligations hereunder assigned to any referenced "Party" or "Parties". Only those obligations and duties specifically ascribed to the "Commission" will be the responsibility of the Public Utility Commission of Texas, acting in its capacity as an agency of the State of Texas.

2.0 Definitions

- 2.1 For purposes of this Attachment, a "loop" is defined as a dedicated transmission facility between a distribution frame (or its equivalent) in a central office and an end user customer premises.