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Lydia R. Pulley
Vice President, General Counsel & Secretary
Virginia

verizon

600 E. Main St., Suite 110
Richmond, VA 23219-2441

Phone 804.772.1547
Fax 804.772.2143
lydia.r.pulley@verizon.com

January 26, 2001

STATE CORPORATION COMMISSION
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DIVISION OF COMMUNICATIONS
RICHMOND, VA

Mr. Joel H. Peck, Clerk
State Corporation Commission
Document Control Center
Post Office Box 2118
Richmond, Virginia 23216

Dear Mr. Peck:

Enclosed for filing is the original and twenty (20) copies of a Joint Application for approval of an Interconnection Agreement between Verizon Virginia Inc. and Level 3 Communications, LLC ("Level 3") under Sections 252(e) of the Telecommunications Act of 1996.

The agreement provides for the interconnection of the two companies' networks and makes available to Level 3 access to unbundled network elements, wholesale telecommunications services, and ancillary services offered by Verizon Virginia Inc.

I have mailed a copy of this letter and the application to the parties on the attached service lists and those shown below. The letter and application shall serve as the Notice of Filing provided for in paragraph B(1) of the Commission Rules for Implementing Sections 251 and 252 of the Act.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Lydia R. Pulley

Enclosure.

Copy to:
Don Mueller, Esquire
William Irby
Richard J. Williams
Office of the Attorney General

BEFORE THE STATE CORPORATION COMMISSION
OF
THE COMMONWEALTH OF VIRGINIA

JOINT APPLICATION OF VERIZON VIRGINIA INC.	)	
AND LEVEL 3 COMMUNICATIONS, LLC FOR	)	
APPROVAL OF AN INTERCONNECTION	)	**PUC 00 _____**
AGREEMENT UNDER SECTION 252(e) OF	)	
THE TELECOMMUNICATIONS ACT OF 1996	)	

JOINT APPLICATION

Verizon Virginia, Inc. ("Verizon VA") and Level 3 Communications, LLC ("Level 3") respectfully submit for the Commission's approval, pursuant to Sections 251 and 252 of the Telecommunications Act of 1996 (the "1996 Act")[1], the attached Interconnection Agreement dated as of November 1, 2000 (the "Agreement"). The Agreement provides for the interconnection of the two companies' networks and makes available to Level 3 access to unbundled network elements, wholesale telecommunications services, and ancillary services offered by Verizon VA. Verizon VA and Level 3 respectfully request that the Commission act within the 90 days specified by the 1996 Act and approve the Agreement.

In support of this request, Verizon VA and Level 3 state as follows:

THE PARTIES

1. Verizon VA is an incumbent local exchange carrier authorized to provide local exchange telephone service in Virginia.

2. Level 3 is a competitive local exchange carrier that has been granted the authority to provide local exchange service throughout the state.

[1] Citations herein to the 1996 Act should be construed as references to sections of the Communications Act of 1934 as amended by the 1996 Act.

THE AGREEMENT

3. Verizon VA and Level 3 have entered into the Agreement pursuant to Sections 251(c) and 252(a) of the 1996 Act.

4. The Agreement sets forth the terms, conditions and prices under which Verizon VA and Level 3 will offer and provide network interconnection, reciprocal call termination, access to network elements, ancillary network services, and wholesale telecommunications services available for resale within each Local Access and Transport Area ("LATA") in which they both operate in Virginia. The Agreement is an integrated package that reflects a negotiated balance of many interests and concerns critical to both parties.

5. The Agreement addresses a number of complex issues. Key provisions of the Agreement provide for:

(i) Reciprocal compensation for terminating local traffic at rates of $.000927 to $.001590 per minute of use depending on where traffic is terminated on the Verizon VA and Level 3 networks; when applicable, alternate rates for the termination of traffic apply in accordance with Section 5.7.3 and related provisions;

(ii) Unbundled loops -- providing Level 3 access to all existing Verizon VA customers -- based on a rate methodology specified in the Agreement;

(iii) Customers to retain their telephone numbers when they switch to Level 3, subject to a future Commission determination of a method of interim number portability cost recovery consistent with any final FCC or Commission determination on such funding mechanisms;

(iv) Including Level 3 customers' primary listings in the White Pages and Yellow Pages (for business customers) directories at no charge, and in directory assistance databases for a charge of $.3209/Call;

(v) The resale of Verizon VA services for a wholesale discount of 18.5% to 21.3% (depending upon whether Level 3 provides its own operator services); and

(vi) The continued provision of 911 services to all customers.

COMPLIANCE WITH THE 1996 ACT

6. The Agreement satisfies the requirements for Commission approval pursuant to Section 252(e)(2)(A) of the 1996 Act, which provides as follows:

> "The State commission may only reject ... an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that--
>
> (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
>
> (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity[.]"

7. First, the Agreement does not discriminate against any other telecommunications carrier, as required by Section 252(e)(2)(a)(i). To the contrary, any other telecommunications carrier authorized to provide local telephone service in Virginia may obtain the interconnection, unbundling and resale arrangements specified in the Agreement on the same terms and conditions. Nonetheless, other carriers are not bound by the Agreement and remain free to negotiate independently with Verizon VA pursuant to Section 252 of the 1996 Act.

8. Second, the Agreement is consistent with the public interest, convenience, and necessity, as required by Section 252(e)(2)(a)(ii). It is an important step towards allowing Level 3 to compete with Verizon VA as a facilities-based local telephone service carrier for both residential and business customers. The Agreement will also be available to all local exchange competitors under Section 252(i) of the 1996 Act.

APPROVAL OF THE AGREEMENT

9. Verizon VA and Level 3 respectfully request that the Commission expedite its review of the Agreement to facilitate implementation of competition in the local exchange market. Although under Section 252(e)(4) of the 1996 Act, the Commission has 90 days to approve or reject the Agreement, Verizon VA and Level 3 request that the Commission act sooner than that date if at all possible.

10. Pursuant to paragraph B.1 of 20 VAC 5-400-190, this Application will be served on the interested parties named on the service list in Case PUC 960059. This Application will serve as the Notice of Filing required by the rule. As required by the rules, the Parties will provide a copy of the Agreement to any interested party upon request therefor.

WHEREFORE, Verizon VA and Level 3 respectfully request that the Commission approve the attached interconnection agreement pursuant to Section 252(e) of the 1996 Act.

Respectfully submitted,

Lydia Pulley
Vice President & General Counsel
Verizon Virginia Inc.
600 East Main Street
Richmond, Virginia 23219
Tel. (804) 772-1585
Fax (804) 772-2143

Attorney For
Verizon Virginia Inc.

Michael R. Romano
Director, State Regulatory Affairs
Level 3 Communications, L.L.C.
1025 Eldorado Blvd.
Broomfield, Colorado 80021
Tel. (720) 888-7015
Fax (720) 888-5134

Attorney for:
Level 3 Communications, LLC

Of Counsel
Jack H. White

DATED: January 25, 2001

INTERCONNECTION AGREEMENT

Dated as of November 1, 2000

by and between

VERIZON VIRGINIA INC.,

F/k/a BELL ATLANTIC - VIRGINIA , INC.

and

Level 3 Communications, LLC

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INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is effective as of the 1st day of November, 2000 (the "Effective Date"), by and between Verizon Virginia Inc., f/k/a Bell Atlantic – Virginia, Inc. ("BA"), a Virginia corporation, and Level 3 Communications, LLC ("Level 3"), a Delaware limited liability company with offices at 1025 Eldorado Boulevard, Broomfield, Colorado 80021 (each of BA and Level 3 being, individually, a "Party" and, collectively, the "Parties").

WHEREAS the Parties want to interconnect their networks at mutually agreed upon Points of Interconnection to provide Telephone Exchange Services, Switched Exchange Access Services and other Telecommunications Services (all as defined below) to their respective Customers;

WHEREAS Sections 251 and 252 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the "Act") have specific requirements for Interconnection, unbundled Network Elements and resale service, and the Parties intend that this Agreement meet these requirements;

WHEREAS the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will interconnect their networks and provide other services as required by the Act; and

WHEREAS the Parties substantially completed negotiation of this Agreement (including, without limitation, the network architecture and Intercarrier Compensation provisions herein) prior to June 30, 2000.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Level 3 and BA hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below in this Section 1. All capitalized terms used but not defined herein shall have the meanings set forth in the Act.

1.1 "Act" means the Communications Act of 1934 (47 U.S.C. § 151 et. seq.), as from time to time amended (including, without limitation by the Telecommunications Act of 1996) and interpreted in the duly authorized rules and regulations of the FCC or the Commission.

1.2 "ADSL" or "Asymmetrical Digital Subscriber Line" means a transmission technology which transmits an asymmetrical digital signal of up to 6 Mbps to the Customer and up to 640 kbps from the Customer.

1.3 "Agreement" means this Interconnection Agreement, including all Exhibits, Schedules, addenda and attachments referenced herein and/or appended hereto.

1.4 "Ancillary Traffic" means all traffic that is destined for ancillary services, or that may have special billing requirements, including but not limited to the following: BLV/BLVI, Directory Assistance, 911/E911, Operator Services (IntraLATA call completion), IntraLATA third party, collect and calling card, 800/888 database query, LIDB and information services requiring special billing as described in Section 7.1.

1.5 "ANI" or "Automatic Number Identification" means a signaling parameter which refers to the number transmitted through a network identifying the billing number of the calling party.

1.6 "Applicable Law" means all laws, regulations and orders applicable to each Party's performance of its obligations hereunder.

1.7 "BFR" or "Bona Fide Request" means the process described in Exhibit B that prescribes the terms and conditions relating to Level 3's request that BA provide an unbundled Network Element that it does not currently provide under the terms of this Agreement.

1.8 "Busy Line Verification" or "BLV" means an operator request for a status check on the line of a called party. The request is made by one Party's operator to an operator of the other Party. The verification of the status check is provided to the requesting operator.

1.9 "Busy Line Verification and Interrupt" or "BLVI" means a service that may be requested and provided when BLV has determined that a line is busy due to an ongoing call. BLVI is an operator interruption of that ongoing call to inform the called party that a calling party is seeking to complete his or her call to the called party.

1.10 "CCS" or "Common Channel Signaling" means a method of transmitting call set-up and network control data over a digital signaling network separate from the public switched

telephone network facilities that carry the actual voice or data content of the call. "SS7" means the common channel out of band signaling protocol developed by the Consultative Committee for International Telephone and Telegraph ("CCITT") and the American National Standards Institute ("ANSI"). BA and Level 3 currently utilize this out-of-band signaling protocol. "CCSAC" or "CCSAS" means the Common Channel Signaling access connection or access service, respectively, which connects one Party's signaling point of Interconnection ("SPOI") to the other Party's Signaling Transfer Point for the exchange of SS7 messages.

1.11 "Central Office" means a local switching system for connecting lines to lines, lines to trunks, or trunks to trunks for the purpose of originating/terminating calls over the public switched telephone network. A single Central Office may handle several Central Office codes ("NXXs"). Sometimes this term is used to refer to a telephone company building in which switching systems and telephone equipment are installed.

1.12 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to an End Office Switch or a Tandem Switch. A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.13 "CLASS Features" means certain CCS-based features available to Customers including, but not limited to: Automatic Call Back; Call Trace; Caller Identification; and future CCS-based offerings.

1.14 "Collocation" means an arrangement in which the equipment of one Party (the "Collocating Party") is installed and maintained at the premises of the second Party (the "Housing Party") for the purpose of Interconnection with or access to the unbundled Network Elements of the Housing Party; provided, however, that Level 3 shall not be required to provide Collocation to BA for the purpose of access to unbundled Network Elements, unless so required under Applicable Law.

1.15 "Commission" means the Virginia State Corporation Commission .

1.16 "Compensable Internet Traffic" means dial-up switched Internet Traffic that is originated by an end-user subscriber of one Party, is transmitted to the switched network of the other Party, and then is handed off by that Party to an Internet Service Provider which has been assigned a telephone number or telephone numbers within an NXX or NXXs which are local to the originating end-user subscriber.

1.17 "CLEC" or "Competitive Local Exchange Carrier" means any Local Exchange Carrier other than BA that is operating as such in BA's certificated territory in Virginia

1.18 "CPN" or "Calling Party Number" is a Common Channel Signaling ("CCS") parameter which identifies the calling party's telephone number.

1.19 "Cross Connection" means a jumper cable or similar connection provided in connection with a Collocation arrangement at the digital signal cross connect, Main Distribution

Frame or other suitable frame or panel between (i) the Collocating Party's equipment and (ii) the equipment or facilities of the Housing Party (see definition of "Collocation").

1.20 "Customer" means a third party residence or business end-user subscriber to Telephone Exchange Services provided by either of the Parties.

1.21 "Digital Signal Level" means one of several transmission rates in the time-division multiplex hierarchy.

1.22 "Digital Signal Level 0" or "DS0" means the 64 Kbps zero-level signal in the time-division multiplex hierarchy.

1.23 "Digital Signal Level 1" or "DS1" means the 1.544 Mbps first-level signal in the time-division multiplex hierarchy.

1.24 "Digital Signal Level 3" or "DS3" means the 44.736 Mbps third-level signal in the time-division multiplex hierarchy.

1.25 "End Office Switch" or "End Office" is a switching entity that is used to terminate Customer station Loops for the purpose of interconnection to each other and to trunks.

1.26 "Entrance Facility" means the facility between a Party's designated premises and the Central Office serving that designated premises.

1.27 "Exchange Message Interface" or "EMI" means the standard used for exchange of Telecommunications message information among Telecommunications Carriers for billable, non-billable, sample, settlement and study data. EMI format is contained in document SR-320 published by the Alliance for Telecom Industry Solutions.

1.28 "FCC" means the Federal Communications Commission.

1.29 "FCC Regulations" means the regulations duly and lawfully promulgated by the FCC, as in effect from time to time.

1.30 "HDSL" or "High-Bit Rate Digital Subscriber Line" means a transmission technology which transmits up to a DS 1 – level signal, using any one of the following line codes: 2 Binary/1 Quartenary ("2B1Q"), Carrierless AM/PM, Discrete Multitone ("DMT"), or 3 Binary/1 Octel ("3BO").

1.31 "Independent Telephone Company" or "ITC" means any entity other than BA which, with respect to its operations within Virginia , is an Incumbent Local Exchange Carrier.

1.32 "Information Services Traffic" means Local Traffic or IntraLATA Toll Traffic which originates on a Telephone Exchange Service line and which is addressed to an information service provided over a Party's information services platform (e.g., 976).

within a given local calling area or expanded area service ("EAS") area, as defined in BA's effective Customer Tariffs. Local Traffic does not include any Internet Traffic.

1.43 "Loop" (and any like term) means a transmission path that extends from a Main Distribution Frame, DSX-panel, or functionally comparable piece of equipment in a Customer's serving End Office to the Rate Demarcation Point (or Network Interface Device ("NID") if installed) in or at the Customer's premises. The actual transmission facilities used to provide a Loop may utilize any of several technologies.

1.44 "Main Distribution Frame" or "MDF" means the primary point at which outside plant facilities terminate within a Wire Center, for Interconnection to other Telecommunications facilities within the Wire Center.

1.45 "MECAB" means the Multiple Exchange Carrier Access Billing ("MECAB") document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee ("CLC") of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an Exchange Access service provided by two or more LECs, or by one LEC in two or more states, within a single LATA.

1.46 "MECOD" means the Multiple Exchange Carriers Ordering and Design ("MECOD") Guidelines for Access Services - Industry Support Interface, a document developed by the Ordering/Provisioning Committee under the auspices of OBF. The MECOD document, published by Bellcore as Special Report SR-STS-002643, establishes methods for processing orders for Exchange Access service which is to be provided by two or more LECs.

1.47 "Meet-Point Billing" or "MPB" means an arrangement whereby two or more LECs jointly provide to a third party (e.g., an Interexchange Carrier) the transport element of a Switched Exchange Access Service to one of the LECs' End Office Switches. Each LEC receives an appropriate share of the transport element revenues as defined by their effective Exchange Access tariffs.

1.48 "Meet Point Billing Traffic" means traffic that is subject to an effective Meet-Point Billing arrangement.

1.49 "Mid-Span Fiber Meet" means an Interconnection architecture whereby two carriers' transmission facilities meet at a mutually agreed-upon Point of Interconnection ("POI"), limited by technical feasibility and the availability of facilities, utilizing a fiber hand-off and, at the delivering carrier's option, may interface with such carrier's collocated equipment to gain access to unbundled Network Elements.

1.50 "Network Interface Device" or "NID" means an interface provided by a telecommunications carrier, including all features, functions and capabilities of such interface, and terminating such carrier's telecommunications network on the property where a Customer's

1.33 "Inside Wire" or "Inside Wiring" means all wire, cable, terminals, hardware and other equipment or materials on the Customer's side of the Rate Demarcation Point.

1.34 "Integrated Digital Loop Carrier" or "IDLC" means a subscriber loop carrier system which integrates within the switch at a DS1 level that is twenty-four (24) loop transmission paths combined into a 1.544 Mbps digital signal.

1.35 "Integrated Services Digital Network" or "ISDN" means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data. Basic Rate Interface-ISDN ("BRI-ISDN") provides for digital transmission of two 64 kbps bearer channels and one 16 kbps data and signaling channel (2B+D). Primary Rate Interface-ISDN ("PRI-ISDN") provides for digital transmission of twenty three (23) 64 kbps bearer channels and one (1) 64 kbps data and signaling channel (23 B+D).

1.36 "Intercarrier Compensation" refers to the remuneration received by one Party (the "Receiving Party") to recover its costs for receiving and terminating Local Traffic or receiving and handing off Compensable Internet Traffic that originates on the network of the other Party (the "Originating Party").

1.37 "Interexchange Carrier" or "IXC" means a carrier that provides, directly or indirectly, InterLATA or intraLATA Telephone Toll Services.

1.38 "Interim Number Portability" or "INP" means the use of existing and available call routing, forwarding, and addressing capabilities (e.g. remote call forwarding) to enable a Customer to receive Telephone Exchange Service provided by any Local Exchange Carrier operating within the exchange area with which the Customer's telephone number(s) is associated, without having to change the telephone number presently assigned to the Customer and regardless of whether the Customer's chosen Local Exchange Carrier is the carrier that originally assigned the number to the Customer.

1.39 "Internet Traffic" means any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.

1.40 "IP" or "Interconnection Point" means the point at which a Party who receives traffic originating on the network of the other Party assesses Intercarrier Compensation charges for the further transport and termination of that traffic.

1.41 "Line Side" means an End Office Switch connection that provides transmission, switching and optional features suitable for Customer connection to the public switched network, including loop start supervision, ground start supervision, and signaling for BRI-ISDN service.

1.42 "Local Traffic" means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network

service is located at a point determined by such carrier. The NID contains an FCC Part 68 registered jack from which Inside Wire may be connected to BA's network.

1.51 "North American Numbering Plan" or "NANP" means the numbering plan used in the United States that also serves Canada, Bermuda, Puerto Rico and certain Caribbean Islands. The NANP format is a 10-digit number that consists of a 3-digit NPA code (commonly referred to as the area code), followed by a 3-digit NXX code and 4-digit line number.

1.52 "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. There are two general categories of NPAs, "Geographic NPAs" and "Non-Geographic NPAs." A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code," is typically associated with a specialized Telecommunications Service which may be provided across multiple geographic NPA areas; 800, 900, 700, 500 and 888 are examples of Non-Geographic NPAs.

1.53 "NXX," "NXX Code," or "End Office Code" means the three digit switch entity indicator (i.e., the first three digits of a seven digit telephone number).

1.54 "Percent Interstate Usage" or "PIU" is a factor that distinguishes the interstate portion of minutes from the intrastate portion of minutes of traffic exchanged via Traffic Exchange Trunks. PIU is a whole number developed through consideration of every call in which the calling and called party are not located within the LATA. PIU is the first such factor applied to traffic for jurisdictional separation of traffic.

1.55 "Percent Local Usage" or "PLU" is a factor that distinguishes the intraLATA, intrastate portion of minutes from the interLATA, intrastate portion of minutes of traffic exchanged via Traffic Exchange Trunks. PLU is a whole number developed through consideration of every call in which the calling and called party are located within the same Rate Center Area. The PLU factor is applied to traffic only after the PIU factor has been applied for jurisdictional separation of traffic.

1.56 "Physical Collocation" has the meaning set forth therefor under Applicable Law.

1.57 "Port Element" or "Port" means a line card (or equivalent) and associated peripheral equipment on an End Office Switch which interconnects individual Loops or individual Customer trunks with the switching components of an End Office Switch and the associated switching functionality in that End Office Switch. Each Port is typically associated with one (or more) telephone number(s) which serves as the Customer's network address. The Port Element is part of the provision of unbundled local Switching Element.

1.58 "Point of Interconnection" or "POI" means the physical location where the originating Party's facilities physically interconnect with the terminating Party's facilities for the purpose of exchanging traffic.

1.59 "Rate Center Area" or "Exchange Area" means the geographic area that has been identified by a given LEC as being associated with a particular NPA-NXX code assigned to the LEC for its provision of Telephone Exchange Services. The Rate Center Area is the exclusive geographic area which the LEC has identified as the area within which it will provide Telephone Exchange Services bearing the particular NPA-NXX designation associated with the specific Rate Center Area.

1.60 "Rate Center Point" means a specific geographic point, defined by a V&H coordinate, located within the Rate Center Area and used to measure distance for the purpose of billing Customers for distance-sensitive Telephone Exchange Services and Toll Traffic.

1.61 "Rate Demarcation Point" means the Minimum Point of Entry ("MPOE") of the property or premises where the Customer's service is located as determined by BA. This point is where network access recurring charges and BA responsibility stop and beyond which Customer responsibility begins.

1.62 "Rating Point" or "Routing Point" means a specific geographic point identified by a specific V&H coordinate. The Rating Point is used to route inbound traffic to specified NPA-NXXs and to calculate mileage measurements for distance-sensitive transport charges of switched access services. Pursuant to Bellcore Practice BR-795-100-100, the Rating Point may be an End Office location or a "LEC Consortium Point of Interconnection." Pursuant to that same Bellcore Practice, examples of the latter shall be designated by a common language location identifier ("CLLI") code with (x)KD in positions 9, 10, 11, where (x) may be any alphanumeric A-Z or 0-9. The Rating Point/Routing Point must be located within the LATA in which the corresponding NPA-NXX is located. However, the Rating Point/Routing Point associated with each NPA-NXX need not be the same as the corresponding Rate Center Point, nor must it be located within the corresponding Rate Center Area, nor must there be a unique and separate Rating Point corresponding to each unique and separate Rate Center Area.

1.63 "Service Control Point" or "SCP" means the node in the Common Channel Signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from a service switching point ("SSP") and via a Signaling Transfer Point, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

1.64 "Signaling Transfer Point" or "STP" means a specialized switch that provides SS7 network access and performs SS7 message routing and screening.

1.65 "Switched Access Detail Usage Data" means a category 1101XX record as defined in the EMR Bellcore Practice BR-010-200-010.

1.66 "Switched Access Summary Usage Data" means a category 1150XX record as defined in the EMR Bellcore Practice BR-010-200-010.

1.67 "Switched Exchange Access Service" means the offering of transmission and switching services for the purpose of the origination or termination of Telephone Toll Service Traffic. Switched Exchange Access Services include but may not be limited to: Feature Group A, Feature Group B, Feature Group D, 700 access, 800 access, 888 access and 900 access.

1.68 "Switching Element" is the unbundled Network Element that provides a CLEC the ability to use switching functionality in a BA End Office switch, including all vertical services that are available on that switch, to provide Telephone Exchange Service to its end user Customer(s). The Switching Element is provisioned with a Port Element, which provides Line Side access to the Switching Element.

1.69 "Tandem Switch" or "Tandem Office" or "Tandem" is a switching entity that has billing and recording capabilities and is used to connect and switch trunk circuits between and among End Office Switches and between and among End Office Switches and carriers' aggregation points, points of termination, or points of presence, and to provide Switched Exchange Access Services.

1.70 "Tandem Transit Traffic" or "Transit Traffic" means Telephone Exchange Service traffic that originates on Level 3's network, and is transported through a BA Tandem to the Central Office of a CLEC, ITC, Commercial Mobile Radio Service ("CMRS") carrier, or other LEC, that subtends the relevant BA Tandem to which Level 3 delivers such traffic. Subtending Central Offices shall be determined in accordance with and as identified in the Local Exchange Routing Guide ("LERG"). Switched Exchange Access Service traffic is not Tandem Transit Traffic.

1.71 "Tariff" means any applicable federal or state Tariff of a Party, or standard agreement or other document that sets forth the generally available terms and conditions, each as may be amended by the Party from time to time, under which a Party offers a particular service, facility or arrangement.

1.72 "Toll Traffic" means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that Party's network and is not Local Traffic or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic," depending on whether the originating and terminating points are within the same LATA.

1.73 "Trunk Side" means a Central Office Switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity (e.g., another carrier's network). Trunk Side connections offer those transmission and signaling features appropriate for the connection of switching entities.

1.74 "Voice Grade" means either an analog signal of 300 to 3000 Hz or a digital signal of 56/64 kilobits per second. When referring to digital Voice Grade service (a 56/64 kbps channel), the terms "DS-0" or "sub-DS-1" may also be used.

1.75 "Wire Center" means a building or portion thereof which serves as a Routing Point for Switched Exchange Access Service. The Wire Center serves as the premises for one or more Central Offices.

2.0 INTERPRETATION AND CONSTRUCTION

2.1 All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings used in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument (including BA or other third party offerings, guides or practices), statute, regulation, governmental rule or Tariff is to such agreement, instrument, statute, regulation, or governmental rule or Tariff as amended and supplemented from time to time (and, in the case of a statute, regulation, governmental rule or Tariff, to any successor provision).

2.2 Each Party hereby incorporates by reference those provisions of its Tariffs that govern the provision of any of the services or facilities provided hereunder. Subject to the terms set forth in Section 20 regarding rates and charges, if any provision of this Agreement and an applicable Tariff cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this Agreement shall prevail. If any provision contained in this main body of the Agreement and any Schedule or Exhibit hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of the Agreement shall prevail. The fact that a condition, right, obligation, or other term appears in this Agreement but not in any such Tariff or in such Tariff but not in this Agreement, shall not be interpreted as, or be deemed grounds for finding, a conflict for purposes of this Section 2.

2.3 This Agreement is intended as a successor to the Interconnection Agreement between the same Parties for Virginia. Any provision of this Agreement that requires or permits a Party to take certain actions (such as submitting service orders, installing facilities, or providing information) shall not be interpreted as requiring either Party to repeat actions that were already taken under the previous agreement, unless the requirements of this Agreement are inconsistent with the arrangements previously in place between the Parties; provided, however, that for the avoidance of any doubt, the foregoing shall not apply to (a) any new services, facilities, or Network Elements for which Level 3 submits an order, request, or application after the Effective Date, (b) nor to any pending (but not yet provisioned) services, facilities, or Network Elements for which Level 3 submits an order, request, or application after the Effective Date of this Agreement to modify or add to the pending (i.e., submitted by Level 3 prior to the Effective Date of this Agreement, but not yet fulfilled) order, request, or application, (c) nor to any existing services, facilities, or Network Elements for which Level 3 submits an order, request, or application after the Effective Date of this Agreement to modify the same. Rather, in the case of subsections (a), (b), and (c) directly above, any orders, requests, applications submitted by Level 3 after the Effective Date of this Agreement shall be governed by the rates, terms, and conditions of this Agreement. Whenever possible, services provided under the previous agreement shall be continued without interruption under the rates, terms, and conditions of this Agreement. Nothing

in this Agreement is intended to extinguish any obligation of either Party to pay for services provided under the previous agreement but not yet billed or paid for, or any other obligation arising under the previous agreement that, by the terms of that agreement or by the nature of the obligation, survives the termination of that agreement.

3.0 SCOPE

3.1 This Agreement sets forth the terms, conditions and pricing under which BA will offer and provide to Level 3 within each LATA in which BA operates within Virginia : (a) Interconnection and access to unbundled Network Elements and ancillary services for their respective use in providing Telephone Exchange Service; (b) resale of local Telecommunications Services; (c) services related to (a) and (b); and (d) the terms, conditions and pricing under which Level 3 will offer and provide Interconnection and related services to BA. As such, this Agreement is an integrated package that reflects a balancing of interests critical to the Parties. It will be submitted to the Commission, and the Parties will refrain from requesting any action to change, suspend or otherwise delay implementation of the Agreement.

4.0 INTERCONNECTION AND PHYSICAL ARCHITECTURE

4.1 Interconnection Activation

Subject to the terms and conditions of this Agreement, each Party shall exercise commercially reasonable efforts to enable Level 3 to provide fully operational service to Customers in accordance with Level 3's intended implementation schedule in Virginia , attached hereto as Schedule 4.0. To that end, the Parties will establish and perform to milestones such as Trunking arrangements for Traffic Exchange, timely submission of Access Service Requests, 911 Interconnection establishments, SS7 Certification and arrangements for alternate-billed calls.

4.2 Trunk Types and Interconnection Points

4.2.1 Trunk Types. Section 4 describes the architecture for Interconnection of the Parties' facilities and equipment over which the Parties shall configure the following separate and distinct trunk groups:

> Traffic Exchange Trunks for the transmission and routing of (a) terminating Local Traffic, Tandem Transit Traffic, translated LEC IntraLATA toll free service access code (e.g. 800/888/877) traffic, IntraLATA Toll Traffic, and, where agreed to between the Parties and as set forth in subsection 4.3.7, InterLATA Toll Traffic between their respective Telephone Exchange Service customers pursuant to Section 251 (c)(2) of the Act, and (b) Compensable Internet Traffic, all in accordance with Section 5;
>
> Access Toll Connecting Trunks for the transmission and routing of Exchange Access traffic, including translated InterLATA toll free service access code (e.g., 800/888/877) traffic, between Level 3 Telephone Exchange Service customers

and purchasers of Switched Exchange Access Service via a BA Tandem, pursuant to Section 251(c)(2) of the Act, in accordance with Section 6;

Information Services Trunks for the transmission and routing of terminating Information Services Traffic in accordance with Section 7;

BLV/BLVI Trunks for the transmission and routing of terminating BLV/BLVI traffic, in accordance with Section 7;

911/E911 Trunks for the transmission and routing of terminating E911/911 traffic, in accordance with Section 7;

Directory Assistance Trunks for the transmission and routing of terminating directory assistance traffic, in accordance with Section 19;

Operator services (IntraLATA call completion) Trunks for the transmission and routing of terminating IntraLATA call completion traffic, in accordance with Section 19; and

Other Trunks as may be requested and agreed to by the Parties.

4.2.2 Any traffic that is not covered in Schedule 4.2 shall be subject to separate negotiations between the Parties, except that either Party may deliver traffic of any type or character to the other Party for termination as long as the delivering Party pays the receiving Party's then current tariffed Switched Exchange Access rates applicable to such traffic; provided, however, that the foregoing is subject to Section 5.7.9 with respect to how the Parties have determined to address their disagreement in terms of compensation for the exchange of Internet Telephony.

4.2.3 Points of Interconnection. As and to the extent required by Section 251 of the Act, the Parties shall provide Interconnection of their networks at any technically feasible point, as described in Section 4.3

4.2.4 Geographic Relevance. Notwithstanding any contrary provision in this Agreement, this Section 4.2.4 shall set forth the Parties' mutual rights and obligations with respect to Interconnection architecture from the Effective Date hereof through the termination of this Agreement. In the event of a conflict between any of the terms of this Section 4.2.4 and any other provision of this Agreement, the terms of this Section 4.2.4 shall control.

4.2.4.1 Interconnection Points. The Parties shall establish physical Interconnection Points ("IPs") at the locations designated on Schedule 4.0, which shall be revised from time to time in accordance with the requirements of this Section. The points on the Level 3 network at which BA shall hand off Local Traffic and Compensable Internet Traffic to Level 3 are designated as the Level 3 Interconnection Points ("Level 3-IPs"). The points on the BA network at which Level 3 shall hand off Local Traffic and Compensable Internet Traffic to BA

are designated as the BA Interconnection Points ("BA-IPs"). Each Party, as an Originating Party, may request that the other Party, as a Receiving Party, establish IPs on the Receiving Party's network that are geographically-relevant to the NXXs (and associated rate centers) that are assigned by the Receiving Party. In the case of BA as a Receiving Party, to the extent Level 3 requests BA to establish a geographically-relevant IP in addition to the BA-IPs at the BA Tandems, the geographically-relevant IP shall be the BA End Office serving the Customer for whom the traffic is intended. In the case of Level 3 as a Receiving Party, BA may request, and Level 3 will then establish, geographically-relevant IPs by establishing a Level 3-IP at a Collocation site at each BA Tandem in a LATA (or, in the case of a single Tandem LATA, at each BA End Office Host), for those NXXs serving equivalent BA rate centers which subtend the BA Tandem (or BA End Office Host). For purposes of this Section 4.2.4.1, the Parties agree that Level 3-IPs at Collocation sites at the BA Tandems shown in Schedule 4.0 represent geographically relevant IPs for the LATAs listed in Schedule 4.0. In any LATA in which BA agrees that Level 3 may meet its obligation to establish geographically relevant IPs through a Collocation site at fewer than all of the BA Tandems (or BA End Office Host) in a LATA, including the LATAs identified in Schedule 4.0, then BA shall determine and advise Level 3 as to which Level 3 IP established at a Collocation site (or other available Level 3 IP) BA will deliver traffic from each relevant originating rate center or other originating location.

If Level 3 fails to establish a geographically-relevant IP as provided herein within a commercially reasonable time, then Level 3 shall bill and BA shall pay only the applicable Intercarrier Compensation Rate for the relevant NXX, as set forth in Section 5.7 below, less BA's monthly recurring rate for unbundled dedicated interoffice transport from BA's originating End Office to Level 3's IP.

Should either Party offer additional IPs to any Telecommunications Carrier that is not a Party to this Agreement, the other Party may elect to deliver traffic to such IPs for the NXXs or functionalities served by those IPs. To the extent that any such Level 3-IP is not located at a Collocation site at a BA Tandem (or BA End Office Host), then Level 3 shall permit BA to establish physical interconnection at the Level 3-IP, to the extent such physical interconnection is technically feasible.

At any time that Level 3 establishes a Collocation site at a BA End Office, then either Party may request that such Level 3 Collocation site be established as the Level 3-IP for traffic originated by BA Customers served by that End Office. Such request shall be negotiated pursuant to the Joint Grooming Plan process, and approval shall not be unreasonably withheld or delayed. To the extent that the Parties have already implemented network interconnection in a LATA, then upon BA's request for a geographically-relevant Level 3-IP, the Parties shall negotiate a mutually-acceptable transition process and schedule to implement the geographically-relevant IPs. If Level 3 should fail to establish an IP at an End Office Collocation site pursuant to BA's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically relevant Level 3 IPs or to an end office Collocation site Level 3 IP within thirty (30) days following BA's request, Level 3 shall bill and BA shall pay the applicable Intercarrier Compensation rate for the relevant NXX, as set forth in Section 5.7 below, less BA's monthly recurring rate for unbundled dedicated interoffice transport

from BA's originating End Office to the Level 3-IP.

Should Level 3 choose to obtain transport from BA for Local and Compensable Internet Traffic from a Level 3-IP at a Collocation site to another Level 3 location, BA shall bill and Level 3 shall pay, the applicable unbundled dedicated interoffice transport and channel termination rates set forth herein. Channel termination charges shall not apply where the transport is between Level 3 Collocation sites.

4.2.4.2 Trunking Architecture. The Originating Party must establish direct trunking to a Receiving Party's End Office (which may have a Tandem-routed overflow) by self-provisioning, purchasing transport rated as unbundled dedicated interoffice transport from the Receiving Party, or purchasing from a third party if the Local and Compensable Internet Traffic destined for that End Office exceeds the CCS busy hour equivalent of two (2) DS1s for any three (3) months during any six (6) month period. For purposes of this paragraph, BA shall satisfy its end office trunking obligations by handing off traffic to a Level 3 IP. Should Level 3 fail to comply with this end office trunking requirement, then the Intercarrier Compensation rate to be paid by Level 3 shall be determined as follows: (a) for direct (non-switched) end office trunks delivered to BA at the BA Tandem wire center that is subtended by the BA End Office serving the Customer location receiving the call, Level 3 shall pay the applicable Intercarrier Compensation rate then in effect pursuant to Section 5.7.3, plus $.0007 per minute of use; and (b) for Tandem-switched trunks delivered to BA at the BA Tandem Wire Center that is subtended by the relevant BA end office, Level 3 shall pay the Tandem Office Reciprocal Call Termination Rate as set forth in Exhibit A hereto; provided, however, that in the event Level 3 has properly forecasted and ordered the required trunking from BA and BA has been unable to provision the ordered trunking, Level 3 shall not be obligated to pay the higher Tandem Office rate until BA is able to provide the requested trunking.

4.3 Physical Architectures

4.3.1 Level 3 shall have the sole right and discretion to specify any of the following three methods for interconnection at any of the BA-IPs:

(a) a physical or virtual Collocation node Level 3 established at the BA-IP; and/or

(b) a physical or virtual Collocation node established separately at the BA-IP by a third party with whom Level 3 has contracted for such purposes; and/or

(c) an Entrance Facility and transport (where applicable) leased from BA (and any necessary multiplexing), to the BA-IP.

4.3.2 Level 3 shall provide its own facilities or purchase necessary transport for the delivery of traffic to any Collocation arrangement it establishes at a BA-IP pursuant to Section 13.

4.3.3 Level 3 may order from BA any of the Interconnection methods specified above in accordance with the rates, order intervals, and other terms and conditions in the Agreement, in any applicable Tariff(s), or as may be subsequently agreed to between the Parties. Under each of the options specified above, Level 3 shall interconnect with BA at a DS1 or DS3 level; provided, however, that upon mutual agreement of the Parties higher speed connections (e.g., optical connections) may be made, when and where available.

4.3.4 BA shall have the sole right and discretion to specify any of the following methods for Interconnection at any of the Level 3-IPs:

(a) a physical or virtual Collocation node BA establishes at the Level 3-IP; and/or

(b) a physical or virtual Collocation node established separately at the Level 3-IP by a third party with whom BA has contracted for such purposes; and/or

(c) an Entrance Facility leased from Level 3 (and any necessary multiplexing), to the Level 3-IP.

4.3.5 BA shall provide its own facilities or purchase necessary transport for the delivery of traffic to any Collocation node it establishes at a Level 3-IP pursuant to Section 13.

4.3.6 BA may order from Level 3 any of the Interconnection methods specified above in accordance with the order intervals and other terms and conditions, including, without limitation, rates and charges, set forth in this Agreement, in any applicable Tariff(s), or as may be subsequently agreed to between the Parties. Under each of the options specified above, BA shall interconnect with Level 3 at a DS1 or DS3 level; provided, however, that upon mutual agreement of the Parties higher speed connections (e.g., optical connections) may be made, when and where available.

4.3.7 Under any of the architectures described in this subsection 4.2, and subject to mutual agreement between the Parties, either Party may utilize the Traffic Exchange Trunks for the termination of InterLATA Toll Traffic in accordance with the terms contained in Section 5 and pursuant to the other Party's Switched Exchange Access Service Tariffs. The other Party's Switched Exchange Access Service rates shall apply to such facilities.

4.3.8 The publication "Bellcore Technical Publication GR-342-CORE; High Capacity Digital Special Access Service, Transmission Parameter Limits and Interface Combination" describes the specification and interfaces generally utilized by BA and is referenced herein to assist the Parties in meeting their respective Interconnection responsibilities.

4.4 Alternative Interconnection Arrangements

4.4.1 In addition to the foregoing methods of Interconnection, and subject to mutual agreement of the Parties, the Parties may agree to establish a Mid-Span Fiber Meet

arrangement which may include a SONET backbone with an electrical interface at the DS-3 level in accordance with the terms of this subsection 4.4. The fiber meet point shall be designated as the POI for both Parties. In the event the Parties agree to adopt a Mid-Span Fiber Meet arrangement, each Party agrees to (a) bear all expenses associated with the purchase of equipment, materials, or services necessary to facilitate and maintain such arrangement on its side of the fiber hand-off to the other Party and (b) compensate the terminating Party for transport of traffic from the POI to the terminating Party's IP at rates set forth in Exhibit A.

4.4.2 The establishment of any Mid-Span Fiber Meet arrangement is expressly conditioned upon the Parties' reaching prior written agreement on routing, appropriate sizing and forecasting, equipment, ordering, provisioning, maintenance, repair, testing, augment, and compensation procedures and arrangements, reasonable distance limitations, and on any other arrangements necessary to implement the Mid-Span Fiber Meet arrangement. Any Mid-Span Fiber Meet arrangement requested at a third-party premises is expressly conditioned on the Parties having sufficient capacity at the requested location to meet such request, on unrestricted 24-hour access for both Parties to the requested location, on other appropriate protections as reasonably deemed necessary by either Party, and on an appropriate commitment that such access and other arrangements will not be changed or altered.

4.4.3 Mid-Span Fiber Meet arrangements shall be used only for the termination of Local Traffic, Compensable Internet Traffic and IntraLATA Toll Traffic unless and until such time as the Parties have agreed to permit its utilization for other traffic types and unless and until the Parties have agreed in writing on appropriate compensation arrangements relating to the exchange of other types of traffic over such Mid-Span Fiber Meet, and only where facilities are available.

4.4.4 Level 3 and BA shall work cooperatively to install and maintain a reliable network as agreed pursuant to Section 4.4.2. Level 3 and BA shall exchange appropriate information (e.g., maintenance contact numbers, information related to the jointly constructed network configuration, information required to comply with law enforcement and other security agencies of the Government and such other information as the Parties shall mutually agree) to achieve this desired reliability.

4.4.5 Level 3 and BA shall work cooperatively to apply sound network management principles and network management controls to alleviate or to prevent congestion.

4.5 Interconnection in Additional LATAs

4.5.1 If Level 3 determines to offer Telephone Exchange Services in any LATA in Virginia not listed in Schedule 4.0 in which BA also offers Telephone Exchange Services, Level 3 shall provide written notice to BA of the need to establish Interconnection in such LATA pursuant to this Agreement.

4.5.2 The notice provided in subsection 4.5.1 shall include (a) the CLEC-IP; (b) the requested BA-IP; (c) the initial Rating Point Level 3 has designated in the new LATA; (d) Level 3's intended Interconnection activation date; and (e) a forecast of Level 3's trunking requirements conforming to subsection 10.3.

4.5.3 The Parties shall agree upon an addendum to Schedule 4.0 to reflect the schedule applicable to each new LATA requested by Level 3; provided, however, that unless agreed by the Parties, the Interconnection activation date to which the Parties agree in a new LATA shall not be earlier than sixty (60) days after receipt by BA of all complete and accurate trunk orders and routing information (and shall generally be within ninety (90) days of such receipt, absent extenuating circumstances). Within ten (10) business days of BA's receipt of the Level 3's notice provided for in subsection 4.5.1, BA and Level 3 shall confirm the BA-IP, the Level 3-IP and the Interconnection activation date for the new LATA by attaching an addendum to Schedule 4.0. Unless otherwise ordered by the Commission, such addendums will automatically become a part of the Agreement.

5.0 TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC (PURSUANT TO SECTION 251(c)(2)) AND COMPENSABLE INTERNET TRAFFIC

5.1 Scope of Traffic

Section 5 prescribes parameters for Traffic Exchange Trunks used for Interconnection pursuant to Section 4.0.

5.2 Trunk Group Connections and Ordering

5.2.1 Traffic Exchange Trunk group connections will be made at a DS-3 or DS-1 level. Subject to agreement of the Parties, higher speed connections may be made, when and where available, in accordance with the Joint Process prescribed in Section 10.

5.2.2 Each Party will identify its Carrier Identification Code, a three or four digit numeric obtained from Bellcore, to the other Party when ordering a trunk group.

5.2.3 Unless mutually agreed to by both Parties, each Party will send a Carrier Identification Code and outpulse ten (10) digits to the other Party.

5.2.4 Each Party will use commercially reasonable efforts to monitor its trunk groups and to augment those groups using generally accepted trunk engineering standards so as to not exceed blocking objectives. Each Party agrees to use modular trunk engineering techniques where practical.

5.3 Switching System Hierarchy and Trunking Requirements

For purposes of routing Level 3 traffic to BA, the subtending arrangements between BA Tandem Switches and BA End Office Switches shall be the same as the Tandem/End Office subtending arrangements BA maintains for the routing of its own or other carriers' traffic. For purposes of routing BA traffic to Level 3, the subtending arrangements between Level 3 Tandem Switches (or functional equivalent) and Level 3 End Office Switches (or functional equivalent) shall be the same as the Tandem/End Office subtending arrangements (or functional equivalent) which Level 3 maintains for the routing of its own or other carriers' traffic.

5.4 Signaling

Each Party will provide the other Party with access to its databases and associated signaling necessary for the routing and completion of the other Party's traffic in accordance with the provisions contained in Section 17.

5.5 Grades of Service

The Parties shall initially engineer and shall jointly monitor and enhance all trunk groups consistent with the Joint Process as set forth in Section 10.

5.6 Measurement and Billing

5.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on at least ninety percent (90%) of calls carried over the Traffic Exchange Trunks.

5.6.1.1 If the Originating Party passes CPN on ninety percent (90%) or more of its calls, the Receiving Party shall bill the Originating Party the applicable Intercarrier Compensation rate, Intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Section 5.7 hereof, Exhibit A and applicable Tariffs, for which CPN is passed. For any remaining (up to ten percent (10%) of) calls without CPN information, the Receiving Party shall bill the Originating Party for such traffic at the applicable Intercarrier Compensation rate, intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Section 5.7 hereof, Exhibit A and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.

5.6.1.2 If the Originating Party passes CPN on less than ninety percent (90%) of its calls and the Originating Party chooses to combine Local Traffic, Compensable Internet Traffic and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that other rates should apply to such traffic.

5.6.2 At such time as either Party has the capability, on an automated basis, to use such CPN information to classify traffic delivered by the other Party as either Local Traffic, Compensable Internet Traffic or Toll Traffic, such Receiving Party shall bill the Originating Party the applicable Intercarrier Compensation rate, intrastate Exchange Access rates, or interstate Exchange Access rates applicable to each minute of Traffic for which CPN is passed, as provided in Section 5.7 hereof, Exhibit A and applicable Tariffs . If the Receiving Party lacks the capability, on an automated basis, to use CPN information to classify on an automated basis traffic delivered by the other Party as either Local Traffic, Compensable Internet Traffic or Toll Traffic, the Originating Party will supply a PIU and PLU factor. The PIU and PLU factors applicable upon the Effective Date are specified in Schedule 5.6. Such factors may be updated by the Originating Party quarterly by written notification.

5.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs.

5.6.4 If Level 3 demonstrates to BA's reasonable satisfaction that there are technical restrictions that make it technically infeasible for Level 3 to transmit individual CPNs for the station numbers within a PBX, BA shall accept, in lieu of such individual CPNs for the station numbers of the subject PBX, a single charge number with respect to such PBX, provided that the physical location of each of the station numbers is within the same BA local calling area as the BA local calling area for the charge number of the subject PBX.

5.7 Intercarrier Compensation Arrangements – Section 251(b)(5)

Subject to Section 4.2.4 of this Agreement, but notwithstanding any other provisions of this Agreement, the provisions of this Section 5.7 shall govern the payment of Intercarrier Compensation between the Parties from and including the Effective Date hereof through and including September 30, 2002. Subject to Sections 4.2.4 and 22 of this Agreement, the provisions of this Section 5.7 shall govern the payment of Intercarrier Compensation between the Parties from and including October 1, 2002 through and including the date of termination of this Agreement. The Parties intend and agree that the Originating Party's payment of Intercarrier Compensation to the Receiving Party in accordance with the terms of this Agreement shall fulfill the Originating Party's obligation under Section 251(b)(5) of the Act to pay reciprocal compensation to the Receiving Party for termination of Local Traffic, and shall further fulfill any obligation the Originating Party may have under Applicable Law to compensate the Receiving Party for receiving and handing off Compensable Internet Traffic. BA's delivery of traffic to Level 3 that originates with a third carrier is addressed in Section 7.3. Where Level 3 delivers traffic to BA that originates with a third carrier, except as may be set forth herein or subsequently agreed to by the Parties, Level 3 shall pay BA the same amount that such carrier would have paid BA for termination of that traffic at the location the traffic is delivered to BA by Level 3. Compensation for the transport and termination of traffic not specifically addressed in this subsection shall be as provided elsewhere in this Agreement, or if

not so provided, as required by the Tariffs of the Party transporting and/or terminating the traffic.

5.7.1 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.

5.7.2 Each Party shall pay Intercarrier Compensation to the other Party at equal and symmetrical rates, as provided in Section 5.7.3 below, on condition that the other Party continues to fulfill its obligations under Section 4.2.4. These rates are to be applied at the Level 3-IP for traffic delivered by BA, and at the BA-IP for traffic delivered by Level 3. No additional charges, including port or transport charges, shall apply for receiving and terminating Local Traffic or receiving and handing off Compensable Internet Traffic delivered to the BA-IP or the Level 3-IP, except as set forth in Exhibit A. When Local Traffic or Compensable Internet Traffic is exchanged over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic.

5.7.3 In consideration of the Parties' having agreed to the appropriate application of Section 252(i) and Applicable Law to the Intercarrier Compensation and physical architecture provisions herein, the Originating Party shall compensate the Receiving Party as follows:

For Local Traffic and Compensable Internet Traffic delivered by the Originating Party to the Receiving Party during the period from and including July 1, 2000 to and including September 30, 2002, the Originating Party shall compensate the Receiving Party at a rate equal to the lesser of $.0015 per minute of use or the applicable Reciprocal Call Termination rates in effect forty-five (45) days prior to the date on which the Parties agreed in writing to pay Intercarrier Compensation (it being agreed that, in the case of BA and Level 3, such date forty-five (45) days prior was August 30, 1999); provided, however, that during any month after January 1, 2001 in which the balance of traffic (including both Local Traffic and Compensable Internet Traffic) between the Originating Party and the Receiving Party exceeds a ratio of 10:1, then the rate to be paid by the Originating Party to the Receiving Party in that month for all traffic in excess of said 10:1 ratio shall be the lesser of $.0012 per minute of use or the applicable Reciprocal Call Termination rates in effect forty-five (45) days prior to the date on which the Parties agree in writing to pay Intercarrier Compensation ((it being agreed that, in the case of BA and Level 3, such date forty-five (45) days prior was August 30, 1999).

5.7.4 Intentionally left blank.

5.7.5 The Intercarrier Compensation arrangements set forth in this Agreement are not applicable to Switched Exchange Access Service, InterLATA or IntraLATA Toll Traffic, or Internet Traffic other than Compensable Internet Traffic. All Switched Exchange Access Service and all Toll Traffic shall continue to be

governed by the terms and conditions of the applicable federal and state Tariffs. In addition, the Intercarrier Compensation arrangements set forth in this Agreement are not applicable to special access, private line or any other traffic that is not switched by the Originating and Receiving Parties.

5.7.6 The designation of Traffic as Local or Toll for purposes of compensation shall be based on the actual originating and terminating points of the complete end-to-end call, regardless of the carrier(s) involved in carrying any segment of the call; provided, however, that the foregoing shall not affect the Parties' agreement herein to compensate each other for Compensable Internet Traffic.

5.7.7 Each Party reserves the right to measure and audit all Traffic to ensure that proper rates are being applied appropriately. Each Party agrees to provide the necessary Traffic data or permit the other Party's recording equipment to be installed for sampling purposes in conjunction with any such audit.

5.7.8 The Parties will engage in settlements of alternate-billed calls (*e.g.*, collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in Virginia in accordance with the terms of an appropriate billing services agreement for intraLATA intrastate alternate-billed calls or such other arrangement as may be agreed to by the Parties.

5.7.9 In entering into this Agreement, the Parties acknowledge that they have not reached agreement as to the compensation structure that should apply to Internet Traffic over which telephony is conducted ("Internet Telephony"). The entry into, filing and performance by the Parties of this Agreement does not in any way constitute a waiver by either Party of any of the rights and remedies it may have to seek review of the compensation structure that should apply to Internet Telephony.

5.8 Call Detail

5.8.1 BA will record usage originating from Level 3 Customers using certain BA Network Elements or BA Telecommunications Services with no rounding of billable time on unrated usage to full minutes. Recorded usage detail generally includes, but is not limited to, the following categories of information where BA currently records such data in the ordinary course of its business: (a) completed calls, including 800 calls and alternately billed calls; (b) calls to directory assistance; and (c) calls to and completed by Operator Services where BA provides such service to a Level 3 Customer.

5.8.2 BA shall provide call detail information to Level 3 daily, excluding holidays, unless otherwise negotiated. BA and Level 3 will exchange schedules of designated data center holidays. BA shall provide Level 3 with call detail information for at least ninety percent (90%) of recorded call events within five (5) business days of when the Level 3 Customer incurred such usage. BA and Level 3 will work cooperatively to promptly analyze and resolve any problems or anomalies in the data, as reported by either Party.