

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
				specified in this Agreement (including, but not limited to, in an applicable Tariff or Applicable Law) for termination of such service, in which event such specified period and/or conditions shall apply.	
IV-114	Should the Interconnection Agreement contain a provision stating the Parties' intention that any services requested by either Party relating to the subject matter of the Interconnection Agreement that is not offered under the Interconnection Agreement will be incorporated into the Interconnection Agreement by amendment upon agreement by the Parties?	Part A, Section 25.3 25.3 The Parties intend that any services requested by either Party relating to the subject matter of this Agreement that are not offered hereunder will be incorporated into this Agreement by amendment upon agreement by the Parties.	Resolved by including in the agreement WCOM's Part A, Section 25.3		Resolved
IV-115	Should the Interconnection Agreement contain a provision requiring the Parties, when they submit the Interconnection Agreement to the Commission for approval, to request that the Commission approve the Interconnection Agreement and refrain from taking any action to change, suspend, or otherwise delay implementation? Should the provision also make each Party responsible for obtaining and keeping in effect all regulatory approvals that may be required in connection with the performance of its respective obligations under the Interconnection Agreement?	Part A, Sections 25.4 and 25.5 25.4 When this Agreement is filed with the Commission for approval, the Parties will request that the Commission: (a) approve the Agreement, and (b) refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement. 25.5 Each Party shall be responsible for obtaining and keeping in effect all FCC, Commission, franchise authority and other governmental approvals, that may be required in connection with the performance of its respective obligations under this Agreement.	Resolved by including in the agreement WCOM's Part A, Section 25.4 and 25.5		Resolved
IV-116	Should the Interconnection Agreement contain a provision	Part A, Section 25.6:	This provision is necessary because it reserves rights provided by the Act	WorldCom: Revised version WorldCom-proposed§ 25.6	Verizon can agree to WorldCom's proposed language if the clause is

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	reserving the Parties' rights to legally challenge through the Section 252 appeal process any term or condition of the Interconnection Agreement established by order of the FCC or Commission?	25.6 The Parties acknowledge that the terms and conditions of this Agreement were established pursuant to an order of the Commission or the FCC. Any or all of the terms and conditions of this Agreement may be altered or abrogated by a successful legal challenge or appeal of this Agreement (or to the order approving the Agreement) as permitted by Applicable Law. By signing this Agreement, the Parties do not waive their right to pursue such a legal challenge or appeal. This Agreement shall be effective between the Parties as of the Effective Date, notwithstanding the pendency of proceedings challenging the Commission's or FCC's approval of the Agreement.	and avoids ambiguity. This section specifically reserves the right of each party to appeal any arbitration decision with which a party disagrees.	25.6 The Parties acknowledge that the terms and conditions of this Agreement were established pursuant to an order of the Commission or the Commission. Any or all of the terms and conditions of this Agreement may be altered or abrogated by a successful legal challenge or appeal of this Agreement (or to the order approving the Agreement) as permitted by Applicable Law. By signing this Agreement, the Parties do not waive their right to pursue such a legal challenge or appeal. Subject to a legally effective stay, this Agreement shall be effective between the Parties as of the Effective Date, notwithstanding the pendency of proceedings challenging the Commission's or Commission's approval of the Agreement.	made expressly subject to a legally effective stay.
IV-117	Should the Interconnection Agreement contain a provision that, except as otherwise expressly stated, places on each Party the legal responsibility and expense for obtaining all rights and privileges necessary for the Party to provide its services pursuant to the Interconnection Agreement?	Part A, Section 25.7 25.7 Except as otherwise expressly stated in this Agreement, each Party, at its own expense, shall be responsible for obtaining from governmental authorities, property owners, other Telecommunications Carriers, and any other persons or entities, all rights and privileges (including, but not limited to, Rights of Way, space and power), which are necessary for the Party to provide its services pursuant to this Agreement.	Resolved by including in the agreement WCOM's Part A, Section 25.7		Resolved
IV-118	Should the Interconnection Agreement contain a provision	Part A, Section 26 et seq.	Resolved by including in the agreement WCOM's Part A, Section		Resolved

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	<p>making clear that each Party is an independent contractor with full control of and supervision over its own performance of obligations and its employment practices; that the Interconnection Agreement does not create any other legal relationship between the Parties, such as an agency or partnership relationship; and that the legal relationship formed is non-exclusive, preserving the right of each Party to provide services to, or purchase services from, other parties?</p>	<p>Section 26. Relationship of Parties</p> <p>26.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement.</p> <p>26.2 Each Party retains full control over the employment, direction, compensation and discharge of all of its employees, agents and contractors assisting in the performance of its obligations under this Agreement. Each Party will be solely responsible for all matters relating to payment of its employees, agents and contractors, and payment of Social Security and other taxes in association with such employees, agents and contractors, and withholding and remittance of taxes from such employees, agents and contractors.</p> <p>26.3 Nothing contained within this Agreement shall:</p> <p>26.3.1 Make either Party the agent, servant or employee, of the other Party;</p> <p>26.3.2 Grant either Party the authority to enter into a contract on behalf of, or otherwise legally bind, the other Party in any way;</p> <p>26.3.3 Create a partnership, joint venture, or other similar relationship</p>	<p>26 et seq.</p>		

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		<p>between the Parties; or</p> <p>26.3.4 Grant to either Party a franchise, distributorship, or similar interest.</p> <p>26.4 The relationship of the Parties under this Agreement is a non-exclusive relationship. Each Party shall have the right:</p> <p>26.4.1 To provide services to be provided by it under this Agreement to persons other than the other Party; and</p> <p>26.4.2 To purchase services which can be purchased by it under this Agreement from persons other than the other Party.</p>			
IV-119	Should the Interconnection Agreement contain a provision governing available remedies and that authorizes a Party to sue in equity for specific performance?	<p>Part A, Section 27.1:</p> <p>Section 27. Remedies</p> <p>27.1 The obligations of the Parties and the services offered under this Agreement may be unique. Accordingly, in addition to any other available rights or remedies, either Party may sue in equity for specific performance.</p>	<p>This provision is necessary because it reflects the fact that the obligations of the Parties and the services offered under the agreement are unique. Because the services provided by Verizon (the incumbent local exchange provider) are unique and generally are not available from other sources, and because such services support the relatively nascent business plans of WorldCom, the damages that Verizon's failure to perform or to provide services would cause are not readily ascertainable.</p>	<p>31. Performance Standards</p> <p>31.1 Verizon shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law, including, but not limited to, Section 251(c) of the Act and 47 CFR §§ 51.305(a)(3), 51.311(a) and (b) and 51.603(b).</p> <p>31.2 To the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier Performance Assurance Plan," of the Merger Order, Verizon</p>	<p>While specific performance may be appropriate in some instances, under applicable law, it is not appropriate in every case. Moreover, performance standards should not stand separate and apart from other available remedies because this would allow WorldCom a double recovery for a loss resulting from a service deficiency. Verizon's proposed § 31 protects Verizon from those cases in which WorldCom, or any other CLEC who decides to opt-in to this Agreement, from this situation.</p>

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				shall provide performance measurement results to **CLEC. 31.3 **CLEC shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.	
IV-120	Should the Interconnection Agreement contain a provision governing available remedies stating that the remedies specified in the Interconnection Agreement are cumulative and are not intended to be exclusive of other remedies available to the injured Party at law or equity? Should the provision also state the Parties' agreement that the self-executing remedies for performance standards failures are not inconsistent with any other available remedy and are intended, as a financial incentive to meet performance standards, to stand separate from other available remedies?	Part A, Section 27.2.: 27.2 Unless otherwise specifically provided under this Agreement, all remedies prescribed in this Agreement, or otherwise available, are cumulative and are not intended to be exclusive of other remedies to which the injured Party may be entitled at law or equity. The Parties acknowledge that the self executing remedies for performance standards failures set forth in and incorporated into this Agreement are not inconsistent with any other available remedy and are intended only to provide Verizon with a financial incentive to meet performance standards. Further, the Parties agree that Verizon's responsibility to pay these self-executing remedies is independent of any other damages owed under this Agreement and may not be used to mitigate any such damages.	This provision is necessary because it reflects the Parties' understanding that the express remedies contained in the agreement are not intended to preclude the Parties from seeking remedies otherwise available at law or in equity.	31. Performance Standards 31.1 Verizon shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law, including, but not limited to, Section 251(c) of the Act and 47 CFR §§ 51.305(a)(3), 51.311(a) and (b) and 51.603(b). 31.2 To the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier Performance Assurance Plan," of the Merger Order, Verizon shall provide performance measurement results to **CLEC. 31.3 **CLEC shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.	While specific performance may be appropriate in some instances, under applicable law, it is not appropriate in every case. Moreover, performance standards should not stand separate and apart from other available remedies because this would allow WorldCom a double recovery for a loss resulting from a service deficiency. Because the Parties have not agreed upon a performance section, Verizon does not know if any interconnection agreement performance plan that may be adopted will be consistent with other portions of the Agreement. Verizon objects to WorldCom's proposal that performance standards "stand separate from other available remedies" if this will allow WorldCom a double recovery for a loss resulting from a service deficiency. Thus, Verizon cannot agree with the remainder of WorldCom's proposed § 27.2.
IV-121	Should the Interconnection Agreement contain a provision (1) requiring Verizon to provide services and perform under this Agreement in accordance with any performance standards, metrics, and self-executing	Part A, Section 27.3: 27.3 Verizon shall provide services and perform under this Agreement in accordance with (i) any performance standards, metrics, and self-executing	This provision is necessary because it ensures that Verizon's performance of its obligations under the Interconnection Agreement meets the requirements of the FCC and the Virginia State Corporation	31. Performance Standards 31.1 Verizon shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law,	Verizon objects to the section proposed by WorldCom as it is presently worded. The substance of this provision is more appropriately dealt with in Verizon's proposed Section 31, in which Verizon agrees to provide

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	remedies (a) set forth in the Agreement and (b) established by the FCC, the Commission, and any governmental body of competent jurisdiction; and (2) incorporating those standards, metrics and remedies by reference into the Interconnection Agreement?	remedies established by the FCC, the Commission, and any governmental body of competent jurisdiction; and (ii) the performance standards, metrics and self-executing remedies set forth in Attachment X of this Agreement. The performance standards, metrics, and self-executing remedies established by the FCC, the Commission, and other governmental body of competent jurisdiction are hereby incorporated into this Agreement.	Commission. It also provides Verizon incentive to provide service under the Interconnection Agreement at government-approved levels.	including, but not limited to, Section 251(c) of the Act and 47 CFR §§ 51.305(a)(3), 51.311(a) and (b) and 51.603(b). 31.2 To the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier Performance Assurance Plan," of the Merger Order, Verizon shall provide performance measurement results to **CLEC. 31.3 **CLEC shall provide Services under this Agreement in accordance with the performance standards required by Applicable Law.	service in accordance with the performance standards required by applicable law. With regard to "metrics" and "self-executing remedies" established by the FCC, the Commission, or other governmental body, these metrics and remedies will apply by operation of law and there is no need to incorporate them into the agreement to make them effective as between the Parties.
IV-122	Should the Interconnection Agreement contain a severability provision stating that, if any term, condition or provision of the Interconnection Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not invalidate the entire Interconnection Agreement (unless such construction would be unreasonable), that the Interconnection Agreement in that event would be construed as if it did not contain the invalid or unenforceable provision or provisions, and that the rights and obligations of each Party would be construed and enforced accordingly?	Part A, Section 28 Section 28. Severability 28.1 If any term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not invalidate the entire Agreement (unless such construction would be unreasonable), and the Agreement shall be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each Party construed and enforced accordingly.	Resolved by including in the agreement WCOM's Part A, Section 28.1		Resolved.

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IV-123	Should the Interconnection Agreement contain a provision governing subcontracting, which makes clear that a Party remains responsible for its Interconnection Agreement obligations even when it subcontracts with another entity to perform those obligations, that the subcontracting Party is solely responsible for paying its subcontractors, and that no subcontractor shall be deemed a third party beneficiary under the Interconnection Agreement?	<p>Part A, Section 29</p> <p>Section 29. Subcontracting</p> <p>29.1 If any obligation under this Agreement is performed through a subcontractor, the subcontracting Party shall remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations it performs through the subcontractor. The subcontracting Party shall be solely responsible for payments due its subcontractors. No subcontractor shall be deemed a third party beneficiary for any purposes under this Agreement.</p>	Resolved by including in the agreement WCOM's Part A, Section 29.1		Resolved
IV-124	Should the Interconnection Agreement contain a provision that authorizes a Party to fulfill its obligations under the Interconnection Agreement itself or through an Affiliate, but which states that use of an Affiliate does not affect a Party's liability or duty under the Interconnection Agreement?	<p>Part A, Sections 29.2 and 29.3</p> <p>29.2 If any obligation of either Party is performed by a subcontractor or Affiliate, such Party shall remain fully responsible for the performance of this Agreement in accordance with its terms.</p> <p>29.3 A Party may fulfill its obligations under this Agreement itself or may cause an Affiliate of the Party to take the action necessary to fulfill the Party's obligations; provided that a Party's use of an Affiliate to perform this Agreement shall not release the Party from any liability or duty to fulfill its obligations under this Agreement.</p>	Resolved by including in the agreement WCOM's Part A, Sections 29.2 and 29.3		Resolved

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IV-125	Should the Interconnection Agreement contain a provision that makes the agreement binding upon, and for the benefit of, the Parties and their respective successors and permitted assigns?	Part A, Section 30 Section 30. Successors and Assigns 30.1 This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and permitted assigns.	Resolved by including in the agreement WCOM's Part A, Section 30.1		Resolved
IV-126	Should the Interconnection Agreement contain a provision governing collection and payment of taxes imposed by taxing authorities on purchase of services under the Interconnection Agreement? Specifically, should such a provision: (1) set forth conditions for collection and remittance of taxes by the parties; (2) set forth procedures should the providing Party not submit timely bills for taxes to the purchasing Party (including a limitation that taxes be assessed or paid within one year of a transaction); (3) set forth special procedures governing resale of services that would allow the party purchasing service to be exempt from tax; (4) set forth provision requiring the purchasing Party to indemnify the providing Party for any tax due on services purchased for resale; (5) obligate each Party to reasonably cooperate with the other in the event of an audit by a taxing authority; (6) set forth a definition of effective notice or communication for tax purposes, and identify designates for receipt of such notice or	Part A, Sections 31.1. through 31.7. Section 31. Taxes 31.1 The price for the purchase of services under this Agreement is exclusive of all applicable Federal, state, or local taxes, similar tax-like charges, fees, duties, and surcharges (including, but not limited to, any 911, telecommunications relay service, or universal service fund surcharges), hereinafter "Tax" or "Taxes". The Party who purchases services shall pay, or be responsible for, all Taxes imposed on the provision of the services by the Providing Party, except for any Tax on or determined by the Providing Party's corporate existence, status, income, franchise, or property (which shall be borne solely by the Providing Party); provided that any such Tax is: (i) required or permitted by law to be collected from a purchaser of the service; (ii) is properly invoiced, and when required, invoiced as a separate line item; and (iii) is invoiced at the same time as the associated charge for	This provision is necessary because it establishes clear procedures for ensuring that the Parties comply with applicable tax rules on purchases of services under the agreement, and provides important supplemental rules allocating liability between the parties in the event of uncollected or untimely paid taxes.	41. Taxes <u>41.1 In General.</u> With respect to any purchase hereunder of Services, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law or a Tariff to be collected from the purchasing Party by the providing Party, then (a) the providing Party shall properly bill the purchasing Party for such Tax, (b) the purchasing Party shall timely remit such Tax to the providing Party and (c) the providing Party shall timely remit such collected Tax to the applicable taxing authority. <u>41.2 Taxes Imposed on the Providing Party.</u> With respect to any purchase hereunder of Services, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, and such Applicable Law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications	Verizon's proposed tax provisions set forth in detail the specific responsibilities of each Party with regard to the payment of taxes, interest and penalties. WorldCom has deleted significant tax provisions. Many of these deletions relieve WorldCom of its tax responsibility.

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	communication?	<p>the services is invoiced, except as provided in Section [31.3].</p> <p>31.2. With respect to any purchase of services under this Agreement, if any Tax is required by Applicable Law to be collected from a Purchasing Party by the Providing Party, then: (i) the Providing Party shall bill the Purchasing Party for such Tax and (ii) the Purchasing Party shall timely remit such Tax to the Providing Party.</p> <p>31.3 Notwithstanding anything in this Agreement to the contrary, if the Providing Party fails to timely invoice the Purchasing Party for any Tax that the Purchasing Party is required to pay pursuant to this Agreement (unless the failure to bill timely was due to any actions or inactions of the Purchasing Party), then: (i) the Providing Party shall be liable for any penalties and interest imposed with respect to the Tax; and (ii) the Purchasing Party shall be liable to the Providing Party for, and the Providing Party shall invoice and collect, such Tax, so long as, the Tax was assessed by or paid to an appropriate authority within one year of the date of the transaction. However, if the Purchasing Party fails to pay any Taxes properly invoiced, then, the Purchasing Party shall be responsible for the Taxes and any associated penalty and interest.</p> <p>31.4 With respect to any purchase of</p>		<p>company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (a) shall provide the providing Party with notice in writing in accordance with Section 41.6 of this Agreement of its intent to pay the Receipts Tax and (b) shall timely pay the Receipts Tax to the applicable tax authority.</p> <p><u>41.3 Taxes Imposed on Customers.</u> With respect to any purchase hereunder of Services that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (a) shall be required to impose and/or collect such Tax from the Subscriber and (b) shall timely remit such Tax to the applicable taxing authority.</p> <p><u>41.4 Liability for Uncollected Tax, Interest and Penalty.</u> If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Section 41.1, then, as between the providing Party and the purchasing Party, (a) the purchasing</p>	

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		<p>services under this Agreement, that are resold by the Purchasing Party, if the Purchasing Party, in connection with its purchase of the resold services, provides a duly executed certificate of exemption to the Providing Party, the Providing Party shall exempt the Purchasing Party from the applicable Taxes, in accordance with law.</p> <p>31.5 As between the Providing Party and the Purchasing Party, the Purchasing Party shall indemnify the Providing Party, and be liable, for any Tax due (and associated penalties and interest, if applicable) on the Purchasing Party's sale of any services purchased for resale from the Providing Party, and shall indemnify and hold the Providing Party harmless for such Tax and associated penalties and interest, if applicable. Such indemnification shall be conditioned upon the Providing Party giving the Purchasing Party timely notice of any proposed assessment of Taxes, interest, or penalties by the applicable authority so as to afford the Purchasing Party an opportunity to cure any defect or formally contest the proposed assessment before final assessment of any additional Tax, interest or penalties is made by the authority.</p> <p>31.6 If either Party is audited by an authority, the other Party agrees to</p>		<p>Party shall remain liable for such uncollected Tax and (b) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Section 41.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Section 41.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by Section 41.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be</p>	

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		<p>reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.</p> <p>31.7 All notices, affidavits, exemption certificates or other communications required to be given by either Party to the other under this Section [31] (hereinafter collectively referred to as "Notices"), shall be made in writing. All such written Notices and any other Notices, shall be delivered personally or sent by prepaid overnight express service, to the addresses stated in Section [23] and to the following:</p> <p>To Verizon: Tax Administration Verizon Corporation 1095 Avenue of the Americas Room 3109 New York, NY 10036 Facsimile:</p> <p>To MCI: WorldCom Attn: Vice President & General Tax Counsel 1133 19th Street, NW Washington, DC 20036 Facsimile (202) 736-6624</p> <p>Either Party may from time-to-time designate another address or addressee by giving notice in accordance with the terms of this Section [31]. Any notice or other</p>		<p>liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Section 41.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.</p> <p><u>41.5 Tax exemptions and Exemption</u></p>	

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		communication shall be deemed to be given when received.		<p><u>Certificates</u>. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Section 41.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Applicable Law which clearly allows such exemption and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax Verizon with respect to its forbearing to collect such Tax.</p> <p>41.6 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party</p>	

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				<p>to the other, for purposes of this Section 41, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Section 29 as well as to the following:</p> <p style="padding-left: 40px;">To Verizon: Tax Administration Verizon Communications</p> <p style="padding-left: 40px;">1095 Avenue of the Americas</p> <p style="padding-left: 40px;">Room 3109</p> <p style="padding-left: 40px;">New York, NY 10036</p> <p style="padding-left: 40px;">To **CLEC:</p> <p style="padding-left: 40px;">[Address 1]</p> <p style="padding-left: 40px;">[Address 2]</p> <p style="padding-left: 40px;">[Address 3]</p> <p style="padding-left: 40px;">City, State Zip</p> <p>Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Section. Any notice or other</p>	

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				communication shall be deemed to be given when received.	
IV-127	Should the Interconnection Agreement contain a provision stating that the Interconnection Agreement is for the benefit of the Parties alone and that it does not create any third party beneficiaries?	<p>Part A, Section 33</p> <p>Section 33. Third Party Beneficiaries</p> <p>33.1 Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide any third parties (including, but not limited to, subscribers or subcontractors of a Party) with any right, remedy, claim, reimbursement, cause of action, or other privilege. The provisions of this Agreement are for the benefit of the Parties hereto and not for any other person; provided, however, that this shall not be construed to prevent either Party from providing its Telecommunications Services to any entities.</p>	Resolved by including in the agreement WCOM's Part A, Section 33.1		Resolved
IV-128	Should the Interconnection Agreement contain a provision stating that a Party's failure or delay in seeking to enforce the Interconnection Agreement, or to seek any remedy under it, is not to be construed as a waiver of the Party's rights under the Interconnection Agreement? Should the provision also state that any waiver by a Party of a default by the other Party shall not be deemed a waiver of any other default?	<p>Part A, Section 34 et seq.</p> <p>Section 34. Waivers</p> <p>34.1 A failure or delay of either Party (including any course of dealing or course of performance) to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or</p>	Resolved by including in the agreement WCOM's Part A, Sections 34.1, 34.2 and 34.3		Resolved

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		<p>options.</p> <p>34.2 Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default.</p> <p>34.3 MCI does not, by entering into this Agreement, waive any right granted to it pursuant to the Act.</p>			
IV-129	Should the Interconnection Agreement contain a "Part B" that provides definitions of certain capitalized terms and words used throughout the Interconnection Agreement?	Part B.	This set of definitions is necessary to ensure that frequently used and specialized terms and words in the Interconnection Agreement are given standard and consistent meaning throughout, thereby avoiding the ambiguity and confusion that otherwise would arise from undefined terms.	See Verizon's Proposed Interconnection Agreement, Glossary Attachment.	Verizon agrees that a definition section is appropriate in the Parties' interconnection agreement. Nevertheless, Verizon cannot agree to WorldCom's proposed definition section because many of the definitions proposed by WorldCom depend upon resolution of other issues in this arbitration.
V-11	Indemnification for Directory Listings Whether AT&T should be required to indemnify Verizon for errors in or omissions of listings information caused by Verizon's gross negligence or willful misconduct?	<p>Propose to delete the last sentence of Verizon's proposed Section 4.7 of the language set forth in Issue IV-82.</p> <p><i>Section 19.1.6 of AT&T's proposed agreement sets forth contract terms and conditions that are necessary and appropriate to provide for indemnification on directory listings errors as follows:</i></p> <p><i>VZ's liability to AT&T in the event of a VZ error in or omission of a listing shall not exceed the amount of charges actually paid by AT&T for such listing; provided, however, that VZ agrees to release, defend, hold harmless and indemnify AT&T from and against any</i></p>	<p>WorldCom should not be the guarantor for Verizon's mistakes. If Verizon fails to accurately reflect and process WorldCom listings that WorldCom correctly delivered and provided to Verizon, Verizon should bear responsibility for those mistakes and inaccuracies. WorldCom has no insight or control over the processes that Verizon uses to transfer other carriers' listings to its books, and therefore WorldCom should not be responsible for mistakes made in that process.</p> <p><i>AT&T should not be required to indemnify Verizon for errors in or omissions of listings information</i></p>	<p>4.7 Indemnification. **CLEC shall adhere to all practices, standards, and ethical requirements established by Verizon with regard to listings. By providing Verizon with Listing Information, **CLEC warrants to Verizon that **CLEC has the right to provide such Listing Information to Verizon on behalf of its Customers. **CLEC shall make commercially reasonable efforts to ensure that any business or person to be listed is authorized and has the right (a) to provide the product or service offered, and (b) to use any personal or corporate name, trade name, trademark, service mark or language used in the</p>	<p>Because Verizon has no relationship with AT&T customers, it should not be exposed to any legal dispute arising from AT&T customer contracts. AT&T should be obligated to ensure, through its own tariffs or by other appropriate means, that AT&T and AT&T's customers comply with the terms of the Verizon tariff, which limits the use of Verizon services being resold by AT&T.</p>

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		<p>and all claims, losses, damages, suits, or other actions, or any liability whatsoever (hereinafter for purposes of this section "Claims"), suffered, made, instituted, or asserted by any person arising out of VZ's listing of the listing information provided by AT&T if such Claims are the proximate result of VZ's gross negligence or willful misconduct. In addition, AT&T agrees to take, with respect to its own customers, all reasonable steps to ensure that its and VZ's liability to AT&T's customers in the event of a VZ error in or omission of a listing shall be subject to the same limitations that VZ applies to its own customers.</p>	<p>caused by Verizon's gross negligence or willful misconduct. In those instances, Verizon should be liable for any damages. AT&T does, of course, agree to indemnify Verizon for errors in or omissions of listings information for which AT&T is responsible.</p>	<p>listing. **CLEC agrees to release, defend, hold harmless and indemnify Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever, suffered, made, instituted, or asserted by any person arising out of Verizon's publication or dissemination of the Listing Information as provided by **CLEC hereunder.</p> <p><i>19.1.6 Verizon's liability to AT&T in the event of a Verizon error in or omission of a listing shall be the same as Verizon's liability to its own end user Customers for such errors in or omissions of listings. In addition, AT&T agrees to take, with respect to its own Customers, all reasonable steps to ensure that its and Verizon's liability to AT&T's Customers in the event of a Verizon error in or omission of a listing shall be subject to the same limitations that Verizon's liability to its own Customers are subject to.</i></p> <p><i>19.1.7 AT&T will adhere to all practices, standards, and ethical requirements of Verizon with regard to listings, and, by providing Verizon with listing information, warrants to Verizon that AT&T has the right to place such listings on behalf of its Customers. Verizon will provide AT&T, upon request, a copy of the Verizon listings standards and</i></p>	

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				<i>specifications manual. AT&T agrees to release, defend, hold harmless and indemnify Verizon from and against any and all claims, losses, damages, suits, or other actions, or any liability whatsoever, suffered, made, instituted, or asserted by any person arising out of Verizon's listing of the listing information provided by AT&T hereunder, except for any actions arising from Verizon's willful misconduct.</i>	
VI-1	<p>To the extent that WorldCom has failed to raise a dispute regarding a provision in Verizon's proposed interconnection agreement, should the commission order inclusion of that language in the resulting interconnection agreement?</p>				<p>As discussed in Verizon's Answer, the Act mandates that Verizon must allow CLECs to interconnect with its network. It does not mandate that Verizon build a network that the CLECs desire for their "business needs." Verizon's proposed interconnection agreement that it forwarded to WorldCom for negotiation reflects Verizon's responsibilities under the Act, the Commission's various orders, and the Commission's specific order to the new entity Verizon to make available to any requesting telecommunications carrier "generic interconnection and resale terms and conditions." In WorldCom's Statement of Unresolved Issues, it has placed much of Verizon's proposed interconnection agreement in dispute. Nevertheless, there are various provisions that WorldCom has failed to place in dispute. Highlighted in Verizon's Exhibit B are the provisions that WorldCom has failed to place in issue. Accordingly, for the reasons stated in Verizon's Exhibit B, the</p>

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VI-1(N)	Assurance of payment	WorldCom rejects Verizon's proposed language.	WorldCom objects to this provision because it would impose requirements on WorldCom that are not imposed on CLECs by any provision of Applicable Law, would be heavy-handed and unduly onerous by giving Verizon unfettered authority to require WorldCom to take prescribed assurance-of-payment steps to convince Verizon that WorldCom is able to meet its payment obligations, and would be unnecessarily disruptive and draconian by giving Verizon the right to suspend performance if WorldCom does not take the precise steps Verizon requires. In any event, it is indefensible to give Verizon the right to request assurance of payment but not give WorldCom the right to request reciprocal assurances.	<p>6. Assurance of Payment</p> <p>6.1 Upon request by Verizon, **CLEC shall provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder.</p> <p>6.2 Assurance of payment of charges may be requested by Verizon if **CLEC (a) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, does not have established credit with Verizon, (b) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, (c) fails to timely pay a bill rendered to **CLEC by Verizon, or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.</p> <p>6.3 Unless otherwise agreed by the Parties, the assurance of payment shall, at Verizon's option, consist of (a) a cash security deposit in U.S.</p>	<p>Commission should order inclusion of those provisions.</p> <p>Section 6 of Verizon's proposed interconnection agreement provides general requirements for WorldCom, upon request by Verizon, to provide Verizon adequate assurance of payment of amounts due (or to become due) to Verizon. Verizon must be permitted to require WorldCom to assure payment of amounts due when Verizon reasonably determines that WorldCom may be unable to meet its payment obligations. Accordingly, § 6 of Verizon's proposed interconnection agreement sets out criteria by which Verizon makes such a determination and the requirements that WorldCom must meet in assuring payment.</p>

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				<p>dollars held by Verizon or (b) an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon. The cash security deposit or letter of credit shall be in an amount equal to two (2) months anticipated charges (including, but not limited to, both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to **CLEC in connection with this Agreement.</p> <p>6.4 To the extent that Verizon elects to require a cash deposit, the Parties intend that the provision of such deposit shall constitute the grant of a security interest in the deposit pursuant to Article 9 of the Uniform Commercial Code as in effect in any relevant jurisdiction.</p> <p>6.5 If payment of interest on a cash deposit is required by an applicable Verizon Tariff or by Applicable Law, interest will be paid on any such cash deposit held by Verizon at the higher of the interest rate stated in such Tariff or the interest rate required by Applicable Law.</p> <p>6.6 Verizon may (but is not obligated to) draw on the letter of credit or cash deposit, as applicable, upon notice to</p>	

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				<p>**CLEC in respect of any amounts to be paid by **CLEC hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.</p> <p>6.7 If Verizon draws on the letter of credit or cash deposit, upon request by Verizon, **CLEC shall provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 6.2.</p> <p>6.8 Notwithstanding anything else set forth in this Agreement, if Verizon makes a request for assurance of payment in accordance with the terms of this Section, then Verizon shall have no obligation thereafter to perform under this Agreement until such time as **CLEC has provided Verizon with such assurance of payment.</p> <p>6.9 The fact that a deposit or a letter of credit is requested by Verizon hereunder shall in no way relieve **CLEC from compliance with the requirements of this Agreement (including, but not limited to, any applicable Tariffs) as to advance payments and payment for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of Services for nonpayment of any amounts payment of which is required by this Agreement.</p>	

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VI-1(O)	Default	WorldCom rejects Verizon's proposed language.	WorldCom objects to this provision because it would be enormously disruptive by allowing each party to simply declare a material breach and unilaterally cease all provision of services. Such a provision would be contrary to the purposes of the Act; would adversely affect parties and customers; and would ignore the simple fact that Verizon's obligations under the Act do not evaporate due to an alleged default under the agreement. WorldCom suggests that all contractual disputes, situations of uncured default, and issues concerning termination of the agreement or of specific services be raised and resolved pursuant to the Dispute Resolution procedure it proposes, which would allow a third-party decision-maker to consider the customer impact that might result from termination.	12. Default If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.	Section 12 of Verizon's proposed interconnection agreement provides that, where either Party fails to make a payment required by the other Parties' interconnection agreement or materially breaches any other material provision of the Parties' interconnection agreement and such failure or breach continues for 30 days after written notice of the breach has been provided to the breaching party, the non-defaulting party may, by written notice to the defaulting party, (a) suspend the provision of any or all services under the Parties' agreement or (b) cancel the agreement and terminate the provision of all services under the agreement. This provision guarantees the Parties' rights in the case of default and should be included in the Parties' interconnection agreement.
VI-1(P)	Discontinuance of services by CLEC	WorldCom rejects Verizon's proposed language.	WorldCom objects to this provision because it would give Verizon an anti-competitive advantage over competing CLECs or independent carriers in soliciting former WorldCom customers, and therefore would directly conflict with the 1996 Act's goal of introducing competition into the telecommunications market. The provision also would impermissibly infringe upon the relationship between WorldCom and its customers, and would give Verizon the unfettered right to terminate its service offerings.	13. Discontinuance of Service by **CLEC 13.1 If **CLEC proposes to discontinue, or actually discontinues, its provision of service to all or substantially all of its Customers, whether voluntarily, as a result of bankruptcy, or for any other reason, **CLEC shall send written notice of such discontinuance to Verizon, the Commission, and each of **CLEC's Customers. **CLEC shall provide such notice such number of days in advance of discontinuance of its service as shall be required by	Section 13 of Verizon's proposed interconnection agreement provides that in certain situations, WorldCom shall send written notice of its actual or impending discontinuance of service to Verizon, the Commission, and each of WorldCom's customers at least 30 days in advance of discontinuance of its service, the extent commercially feasible, or as shall be required by applicable law. Such notice must advise each WorldCom customer that unless action is taken by the WorldCom customer to switch to a different carrier prior to WorldCom's proposed discontinuance of service, the

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				<p>Applicable Law. Unless the period for advance notice of discontinuance of service required by Applicable Law is more than thirty (30) days, to the extent commercially feasible, **CLEC shall send such notice at least thirty (30) days prior to its discontinuance of service.</p> <p>13.2 Such notice must advise each **CLEC Customer that unless action is taken by the **CLEC Customer to switch to a different carrier prior to **CLEC's proposed discontinuance of service, the **CLEC Customer will be without the service provided by **CLEC to the **CLEC Customer.</p> <p>13.3 Should a **CLEC Customer subsequently become a Verizon Customer, **CLEC shall provide Verizon with all information necessary for Verizon to establish service for the **CLEC Customer, including, but not limited to, the CLEC Customer's billed name, listed name, service address, and billing address, and the services being provided to the **CLEC Customer.</p> <p>13.4 Nothing in this Section 13 shall limit Verizon's right to cancel or terminate this Agreement or suspend provision of Services under this Agreement.</p>	<p>WorldCom customer will be without the service provided by WorldCom. When a WorldCom customer subsequently becomes a Verizon customer, WorldCom shall provide Verizon with all information necessary for Verizon to establish service for the WorldCom customer, including, but not limited to, the WorldCom customer's billed name, listed name, service address, and billing address, and the services being provided to the WorldCom customer. Nothing in § 13, however, shall limit Verizon's right to cancel or terminate the agreement or suspend provision of services under the agreement.</p>
VI-1(Q)	Insurance	Insurance	WorldCom objects to this provision because it does not impose any	WorldCom: General Terms and Conditions § 21	This language is necessary to ensure that, during the term of the

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		<p>**CLEC Each Party shall maintain during the term of this Agreement and for a period of two years thereafter all insurance and/or bonds required to satisfy its obligations under this Agreement (including, but not limited to, its obligations set forth in Section 20 hereof) and all insurance and/or bonds required by Applicable Law. The insurance and/or bonds shall be obtained from an insurer having an A.M. Best insurance rating of at least A-, financial size category VII or greater. At a minimum and without limiting the foregoing undertaking, **CLEC Each Party shall maintain the following insurance:</p> <p>Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least \$2,000,000 aggregate/\$1,000,000 per combined single limit for each occurrence.</p> <p>Motor Vehicle Liability, Comprehensive Form, covering all owned, hired and non-owned vehicles, with limits of at least \$2,000,000 combined single limit for each occurrence.</p> <p>Excess Liability, in the umbrella form, with limits of at least \$10,000,000 5,000,000 combined</p>	<p>reciprocal insurance obligations on Verizon. As to the specific requirements: (i) several insurance coverage limits imposed on WorldCom are excessive, (ii) Section 21.2's disclosure requirement is unwarranted, (iii) Section 21.4's 14-day requirement for proof of insurance is shorter than the 30-day industry standard, (iv) Section 21.6 impermissibly holds WorldCom financially liable for the insurance needs of independent subcontractors, and (v) Verizon's requirement that it be informed of any "material change" (including increases) in WorldCom's insurance is overly broad and burdensome.</p>	<p>21. Insurance 21.1 **CLEC shall maintain during the term of this Agreement and for a period of two years thereafter all insurance and/or bonds required to satisfy its obligations under this Agreement (including, but not limited to, its obligations set forth in Section 20 hereof) and all insurance and/or bonds required by Applicable Law. The insurance and/or bonds shall be obtained from an insurer having an A.M. Best insurance rating of at least A-, financial size category VII or greater. At a minimum and without limiting the foregoing undertaking, **CLEC shall maintain the following insurance: 21.1.1 Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least \$2,000,000 combined single limit for each occurrence. 21.1.2 Motor Vehicle Liability, Comprehensive Form, covering all owned, hired and non-owned vehicles, with limits of at least \$2,000,000 combined single limit for each occurrence. 21.1.3 Excess Liability, in the umbrella form, with limits of at least \$10,000,000 combined single limit for each occurrence.</p>	<p>interconnection agreement and for a period of two years thereafter, WorldCom maintains all insurance and/or bonds required to satisfy its obligations under the proposed interconnection agreement.</p>

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		<p>single limit for each occurrence.</p> <p>Worker's Compensation Insurance as required by Applicable Law and Employer's Liability Insurance with limits of not less than \$2,000,000 per occurrence.</p> <p>All risk property insurance on a full replacement cost basis for all of **CLEC's real and personal property located at any Collocation site or otherwise located on or in any Verizon premises (whether owned, leased or otherwise occupied by Verizon), facility, equipment or right-of-way.</p> <p>Any deductibles, self insured retentions or loss limits ("Retentions") for the foregoing insurance must be disclosed on the certificates of insurance to be provided to Verizon pursuant to Sections 21.4 and 21.5, and Verizon reserves the right to reject any such Retentions in its reasonable discretion. All Retentions shall be the responsibility of **CLEC.</p> <p>**CLEC shall name Verizon, Verizon's <u>Each Party shall name the other, the other's</u> Affiliates and the directors, officers and employees of <u>the other and the other's</u> Verizon and Verizon's Affiliates, as additional insureds on the foregoing insurance.</p> <p>**CLEC shall, within thirty days after</p>		<p>21.1.4 Worker's Compensation Insurance as required by Applicable Law and Employer's Liability Insurance with limits of not less than \$2,000,000 per occurrence.</p> <p>21.1.5 All risk property insurance on a full replacement cost basis for all of **CLEC's real and personal property located at any Collocation site or otherwise located on or in any Verizon premises (whether owned, leased or otherwise occupied by Verizon), facility, equipment or right-of-way.</p> <p>21.2 Any deductibles, self-insured retentions or loss limits ("Retentions") for the foregoing insurance must be disclosed on the certificates of insurance to be provided to Verizon pursuant to Sections 21.4 and 21.5, and Verizon reserves the right to reject any such Retentions in its reasonable discretion. All Retentions shall be the responsibility of **CLEC.</p> <p>21.3 **CLEC shall name Verizon, Verizon's Affiliates and the directors, officers and employees of Verizon and Verizon's Affiliates, as additional insureds on the foregoing insurance.</p> <p>21.4 **CLEC shall, within two (2) weeks of the Effective Date hereof, on a semi-annual basis thereafter, and at such other times as Verizon may reasonably specify, furnish certificates or other proof of the foregoing insurance reasonably acceptable to Verizon. The</p>	

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		<p>two (2) weeks of the Effective Date hereof, on a semi-annual basis thereafter, and at such other times as may be requested by the other Party, as Verizon may reasonably specify, furnish certificates or other proof of the foregoing insurance reasonably acceptable to Verizon. The certificates or other proof of the foregoing insurance shall be sent to: Director - Interconnection Services, Verizon Wholesale Markets, 1095 Avenue of the Americas, Room 1423, New York, NY 10036.</p> <p>**CLEC Each Party shall require its contractors, if any, that may enter upon the premises or access the facilities or equipment of the other Party or the other Party's Verizon or Verizon's affiliated companies or the Customers of the other Party to maintain insurance in accordance with Sections 21.1 through 21.3 and, if requested, to furnish Verizon certificates or other adequate proof of such insurance acceptable to the other Party Verizon in accordance with Section 21.4.</p> <p>If **CLEC or **CLEC's contractors fail to maintain insurance as required in Sections 21.1 through 21.5, above, Verizon may purchase such insurance and **CLEC shall reimburse Verizon for the cost of the insurance.</p> <p>Certificates furnished by **CLEC or **CLEC's contractors shall contain a</p>		<p>certificates or other proof of the foregoing insurance shall be sent to: Director - Interconnection Services, Verizon Wholesale Markets, 1095 Avenue of the Americas, Room 1423, New York, NY 10036.</p> <p>21.5 **CLEC shall require its contractors, if any, that may enter upon the premises or access the facilities or equipment of Verizon or Verizon's affiliated companies to maintain insurance in accordance with Sections 21.1 through 21.3 and, if requested, to furnish Verizon certificates or other adequate proof of such insurance acceptable to Verizon in accordance with Section 21.4.</p> <p>21.6 If **CLEC or **CLEC's contractors fail to maintain insurance as required in Sections 21.1 through 21.5, above, Verizon may purchase such insurance and **CLEC shall reimburse Verizon for the cost of the insurance.</p> <p>21.7 Certificates furnished by **CLEC or **CLEC's contractors shall contain a clause stating: "[VERIZON COMPANY FULL NAME] shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."</p>	

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