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November 5, 2001

VIA HAND DELIVERY

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Arbitration of Interconnection Agreements Between Verizon and AT&T, Cox, and WorldCom
CC Docket Nos. 00-218, 00-~~29~~, 00-~~25~~ 00-249 00-251

Dear Ms. Salas:

I am transmitting to you herewith the above-referenced parties' Second Revised Decision Point List IV (Intercarier Compensation). This document is part of the new revised set of joint decision point lists requested by staff during the hearing in the above-referenced proceeding on October 10, 2001. Tr. at 1312-13 (October 10). The other lists are being filed separately today by AT&T, WorldCom, and Verizon.

Please inform me if any questions should arise in connection with this matter.

Respectfully submitted,

J.G. Harrington
Counsel to Cox Virginia Telcom, Inc.

JGH/vll
Enclosure

cc: As per attached service list

No. of Copies rec'd 0+3
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CERTIFICATE OF SERVICE

I, Sherene McDougall, a legal secretary at Dow, Lohnes & Albertson, PLLC do hereby certify that on this 5th day of November, 2001, copies of the foregoing Second Revised Joint Decision Point List IV (Intercarrier Compensation) were served as follows:

TO FCC as follows (by hand):

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TO WORLDCOM as follows:

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Sherene McDougall

SECOND REVISED JOINT DECISION
POINT LIST IV (November 5, 2001)
(INTERCARRIER COMPENSATION)

WorldCom, Cox, AT&T ads. Verizon
(Docket Nos. 00-218, 00-249, and 00-251)

ISSUE NUMBERING KEY:
Category I: (1) unique to Cox or common to (2) Cox and **WorldCom**, (3) Cox and *AT&T*, or (4) all Petitioners
Category II: common to **WorldCom** and *AT&T* (pricing/costing)
Category III: common to **WorldCom** and *AT&T* (non-pricing/non-cost)
Category IV: unique to WorldCom
Category V: unique to AT&T
Category VI: Verizon supplemental issues with WorldCom
Category VII: Verizon supplement issues with AT&T

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY:
WorldCom (bold)
Cox (underline text)
AT&T (italic)

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
		Intercarrier Compensation	
I-5	**What contract terms are appropriate to implement the FCC's ISP Remand Order?** [Linked to Issue IV-35]	**"ISP-bound Traffic" shall have the same meaning as is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 ("ISP Remand Order").** **Section x. Compensation for ISP-bound Traffic** **x.1 This section is intended to implement the FCC's ISP Remand Order for any period in which both the ISP Remand Order and this Agreement are in effect. The terms used in this Section x shall have the same meaning as those terms are used in the ISP Remand Order. Additionally, as used in this Agreement, the term "ISP-bound Traffic"**	**6. Traffic Measurement and Billing over Interconnection Trunks** **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 Local Interconnection Trunks.** **6.1.1 As used in this Section 1, "Traffic Rate" means the applicable Reciprocal Compensation Traffic rate, Measured Internet Traffic rate, intrastate Switched Exchange Access Service rate, interstate Switched Exchange Access Service rate, or intrastate/interstate Tandem Transit Traffic rate, as provided in the Pricing Attachment, an applicable Tariff, or, for Measured Internet Traffic, the FCC Internet Order.**

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
		shall have the same meaning as the term is used in the ISP Remand Order. **x.2 The Parties agree to pay each other for delivering ISP-bound Traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section x. For purposes of this section x, ISP-bound Traffic and section 251(b)(5) local traffic shall be identified in accordance with the provisions of Section x.4 below.** **x.3 The information access rates described in Sections x.3.2. for the delivery of ISP-bound Traffic shall apply only if: (a) Verizon requests that ISP-bound Traffic be treated at the rates specified in the ISP Remand Order; (b) Verizon offers to exchange all traffic subject to the reciprocal compensation provisions of section 251(b)(5) with LECs, CLECs, and CMRS providers, at these information access rates; and (c) Verizon has paid all passed due amounts owed on WorldCom's delivery of ISP-bound Traffic prior to June 14, 2001. If Verizon does not comply with these conditions, then the rate for the delivery of ISP-bound Traffic shall be the rate for reciprocal compensation set forth in Table 1 of this Attachment.** **x.3.1 The reciprocal compensation rates shown in Table 1 apply to the exchange of all section 251(b)(5) traffic.** **x.3.2 Information Access Rates. For the period beginning on June 14, 2001 and ending on December 13, 2001, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.0015 per minute of use (MOU). To the extent that this Agreement remains in effect, beginning on December 14, 2001, and ending on June 13, 2003, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.001 per MOU. To the extent that this Agreement remains in effect, beginning on June 14, 2003, and ending on June 13, 2004, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.0007 MOU. The ISP Remand Order specifies that, in the event the FCC does not take further action within the final period during which the $.0007 per MOU information access is applicable to ISP-bound**	**6.1.2 If the originating Party passes CPN on ninety percent (90%) or more of its calls, the receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. For any remaining (up to 10%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic, in direct proportion to the minutes of use of calls passed with CPN information.** **6.1.3 If the originating Party passes CPN on less than ninety percent (90%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same trunk group, the receiving Party shall bill the higher of its interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.** **6.2 At such time as a receiving Party has the capability, on an automated basis, to use such CPN to classify traffic delivered over Interconnection Trunks by the other Party by Traffic Rate type (e.g., Reciprocal Compensation Traffic/Measured Internet Traffic, intrastate Switched Exchange Access Service, interstate Switched Exchange Access Service, or intrastate/interstate Tandem Transit Traffic), such receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. If the receiving Party lacks the capability, on an automated basis, to use CPN information on an automated basis to classify traffic delivered by the other Party by Traffic Rate type, the originating Party will supply Traffic Factor 1 and Traffic Factor 2. The Traffic Factors shall be supplied in writing by the originating Party within thirty (30) days of the Effective Date and shall be updated in writing by the originating Party quarterly. 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. Determinations as to whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be made in accordance with Section 7.3.2.1 below.**

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
		Traffic, that period will be extended until the FCC takes such further action. The Parties agree that the $.0007 per MOU information access rate will continue in effect for ISP-bound Traffic beyond June 13, 2004, if the FCC fails to take such further action by that date, to the extent this Agreement remains in effect during such period. **x.4. Identification of ISP-bound Traffic and 251(b)(5) local traffic. Traffic that originates on Verizon's network, that WorldCom delivers to its customers, and that is in excess of a ratio of 3:1 of all of the local MOU that originates on MCIm's network for delivery by Verizon to Verizon's customers is presumed to be ISP-bound Traffic. The Parties further agree that such traffic that MCIm delivers for Verizon which is not in excess of a ratio of 3:1 of all of the MOU that Verizon's delivers for MCIm shall be billed by MCIm at the reciprocal compensation rates contained in Table 1 to this Attachment.** **x.4.1. The Parties agree that (a) MOU originated by MCIm over inter-connection trunks between MCIm's local switches and Verizon's local network, and (b) MOU originated by MCIm over the Network Element Platform (UNE-P) leased from Verizon shall be included for purposes of the 3:1 ratio calculation described in Section x.4.** **x.4.2 The 3:1 ratio will be computed by using the billing Party's recordings of calls originated from and terminating to its customers. When such recordings are unavailable from the facilities of the billing Party, call records supplied to the billing Party may be used for the ratio computation.** **x.5. Demand or Minutes of Use Cap. For ISP-bound Traffic exchanged during the year 2001, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to, on an annualized basis, the number of ISP-bound minutes originated on Verizon's network and delivered by MCIm during the first quarter of 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2002, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-**	**6.3 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.** **6.4 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.** **7.2 Reciprocal Compensation. The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates stated in the Pricing Attachment. These rates are to be applied at the WorldCom-IP for traffic delivered by Verizon for termination by WorldCom, and at the Verizon-IP for traffic delivered by WorldCom for termination by Verizon. Except as expressly specified in this Agreement, no additional charges shall apply for the termination from the IP to the Customer of Reciprocal Compensation Traffic delivered to the Verizon-IP by WorldCom or the WorldCom-IP by Verizon. When such Reciprocal Compensation Traffic is delivered 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. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.** **7.3 Traffic Not Subject to Reciprocal Compensation.** **7.3.1 Reciprocal Compensation shall not apply to interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access.** **7.3.2 Reciprocal Compensation shall not apply to Measured Internet Traffic.**

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
		bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes originated on Verizon's network and delivered by MCIm for the year 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2003, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes terminated by Verizon to MCIm for the year 2002. **x.6 Reservation of Rights. The terms of Sections x.3, x.3.2, Table 1 (rate schedule), x.4, x.4.x, and x.4.2 may be voided by either Party, upon written notice to the other party, if any legislative, regulatory, or judicial action, rule, or regulation modifies, reverses, vacates, or remands the ISP Remand Order, in whole or in part. If these Sections become void as provided herein, then: (a) ISP-bound Traffic shall be deemed section 251(b)(5) traffic under this Agreement, retroactive to the effective date of this Agreement; (b) any compensation that would have been due under this Agreement since its effective date for the exchange of ISP-bound Traffic shall immediately be due and payable; and (c) the Parties shall immediately begin the exchange of ISP-bound Traffic that was subject to the ISP Remand Order on the same terms, conditions, and rates as they exchange section 251(b)(5) traffic.**	**7.3.2.1 The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Measured Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).** **7.3.3 Reciprocal Compensation shall not apply to Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis.** **7.3.4 Reciprocal Compensation shall not apply to Optional Extended Local Calling Area Traffic.** **7.3.5 Reciprocal Compensation shall not apply to special access, private line, or any other traffic that is not switched by the terminating Party.** **7.3.6 Reciprocal Compensation shall not apply to Tandem Transit Traffic.** **7.3.7 Reciprocal Compensation shall not apply to Voice Information Services Traffic (as defined in Section 5 of the Additional Services Attachment).** **7.3.8 The Reciprocal Compensation charges (including, but not limited to, the Reciprocal Compensation per minute of use charges) billed by WorldCom to Verizon shall not exceed the Reciprocal Compensation charges (including, but not limited to, Reciprocal Compensation per minute of use charges) billed by Verizon to WorldCom.** **7.4 Other Types of Traffic.** **7.4.1 Notwithstanding any other provision of this Agreement or any Tariff: (a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Measured Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not**

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			be obligated to pay any intercarrier compensation for Measured Internet Traffic that is in excess of the intercarrier compensation for Measured Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations. **7.4.2 Subject to Section 7.4 above, interstate and intrastate Exchange Access, Information Access, exchange services for Exchange Access or Information Access, and Toll Traffic, shall be governed by the applicable provisions of this Agreement and applicable Tariffs.** **7.4.3 For any traffic originating with a third party carrier and delivered by WorldCom to Verizon, WorldCom shall pay Verizon the same amount that such third party carrier would have been obligated to pay Verizon for termination of that traffic at the location the traffic is delivered to Verizon by WorldCom.** **7.4.4 Any traffic not specifically addressed in this Agreement shall be treated as required by the applicable Tariff of the Party transporting and/or terminating the traffic.** **7.6 "Extended Local Calling Scope Arrangement". An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional.** **7.7 "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.** **7.8 "FCC Internet Order". Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).**

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
			7.9 "FCC Regulations". The unstayed, effective regulations promulgated by the FCC, as amended from time to time. **7.10 "Internet Traffic". Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.** **7.11 "IP (Interconnection Point)". For Reciprocal Compensation Traffic, the point at which a Party who receives Reciprocal Compensation Traffic from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic.** **7.12 "Measured Internet Traffic". Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's applicable tariffs. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.** **7.13 "Reciprocal Compensation". The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section 7.2 of the Interconnection Attachment).** **7.14 "Reciprocal Compensation Traffic". Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas**

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			as defined in Verizon's applicable tariffs. Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined in Verizon's applicable tariffs; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. **7.15 "Toll Traffic". 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 and is not Reciprocal Compensation Traffic, Measured Internet 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.** **7.16 "Traffic Factor 1". For traffic exchanged via Interconnection Trunks, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."** **7.17 "Traffic Factor 2". For traffic exchange via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills**

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			is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU." **See also Appendix A of the Pricing Attachment to Verizon proposed WorldCom contract. Because this portion of the contract is itself in a chart format, it is not transferable to the JDPL."**
	Verizon may not refuse to include in the Agreement an adequate description of the rates, terms and conditions applicable to the parties' implementation of the FCC's ISP Order, including provisions addressing the following questions: (a) What provisions should the parties make for changes in the requirements of the ISP Order through appeal, reconsideration or other legal or regulatory action? (b) Should the specific rates of compensation for ISP-bound traffic paid by the parties during the term of the renewal agreement be zero, a rate equal to the cap or a rate somewhere in between zero and the cap? (c) What mechanism should be used by the parties in calculating the amount of traffic in excess of the 3:1 ratio; what data should be exchanged by the parties for use	1.0 Definitions: 1.36 "Internet Traffic" shall have the same meaning, when used in this Agreement, as the term "ISP-bound traffic" is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001. Generally speaking, "Internet Traffic" refers to telecommunications traffic delivered to Internet service providers. - - - - - - - - - - 1.39 "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, within a given local calling area, or mandatory expanded area service ("EAS") area (based on the rate center point of the originating and terminating NPA-NXXs of the callers), as defined in Verizon's effective Customer tariffs, or, if the Commission has defined local calling areas applicable to all LECs, then as so defined by the Commission. Local Traffic does not include any Internet Traffic (as such term is hereinafter defined). Generally speaking, the term "Local Traffic" shall have the same meaning, when used in this Agreement, as the term "251(b)(5) traffic" is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001. - - - - - - - - - - 1.51 "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. - - - - - - - - - -	1.25a "Extended Local Calling Scope Arrangement" means an arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area. 1.26a "FCC Internet Order" means the FCC's Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68 (adopted April 18, 2001). 1.29a "Information Access" means the provision of specialized exchange telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services. 1.30 "Information Services Traffic" means Reciprocal Compensation 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). 1.36 "Internet Traffic" means any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission." 1.41a "Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to an Internet Service Provider served by

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	in making this calculation; what time periods should these data cover; and when should any such data exchange take place? (d) Should specific terms be adopted to govern the implementation of the growth caps on compensable ISP-bound traffic, incorporating an actual number based on the parties' traffic for the first quarter of 2001, and should that cap be applied on an annual basis? (e) What definitions are needed to implement the ISP Order?	1.52 "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. The PLU factor is applied to traffic before a ratio is applied to identify Internet Traffic minutes. - - - - - - - - - - Modify various instances of "Local Traffic" by adding "Internet Traffic" in the following subsections: 1.7.1; 4.4.3; 5.6.1.1; 5.6.1.2; 5.6.2; 17.1.2; Sched. 4.2 (1) and (5). [The following language has been agreed to by Cox and Verizon. 5.7.5 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.] 5.7.7 Reciprocal Compensation for Internet Traffic 5.7.7.1 Scope (a) This Subsection is intended to implement the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 ("ISP Order"), for any period in which the ISP Order is effective during the Term of this Agreement. The terms used in this section shall have the same meaning as those terms are used in the ISP Order. Additionally, as used in this Agreement, the term "Internet Traffic" shall have the same meaning as the term "ISP-bound traffic" is used in the ISP Order. (b) The Parties agree to pay each other for terminating Internet Traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this	the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202). For the purposes of this definition, a Verizon local calling area includes a non-optional Extended Local Calling Scope Arrangement, but does not include an optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic. 1.60 "Reciprocal Compensation" means the arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in subsection 5.7). 1.60a "Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202). Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as set forth in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202); (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (6) Tandem Transit Traffic. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. 1.71 "Toll Traffic" means traffic that is originated by a Customer of one Party on

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		section. For purposes of this section, Internet Traffic and section 251(b)(5) traffic shall be identified in accordance with the provisions of subsection 5.7.7.3 below. (c) Upon the occurrence of any one of the following conditions: (1) the ISP Order is not allowed to go into effect or is stayed after its effective date; (2) the ISP Order is revised or reversed by a court of competent jurisdiction; or (3) the ISP Order is affected by any legislative or other legal action; the Parties reserve all of their rights and remedies, including those to amend, alter, or revise this Agreement. 5.7.7.2 Rates (a) For the Term of this Agreement, Reciprocal Compensation rates shown in Exhibit 1 will apply to the exchange of all 251(b)5 traffic. (b) For the period beginning on June 14, 2001 and ending on December 13, 2001, the terminating Party will bill the originating Party a rate of $.0015 per minute of use (MOU) for Internet Traffic delivered to the terminating Party's Tandem and/or End Office. (c) To the extent that this Agreement remains in effect, beginning on December 14, 2001, and ending on June 13, 2003, the terminating Party will bill the originating Party a rate of $.0010 per MOU for Internet Traffic delivered to the terminating Party's Tandem and/or End Office. (d) To the extent that this Agreement remains in effect, beginning on June 14, 2003, and ending on June 13, 2004, the terminating Party will bill the originating Party a rate of $.0007 per MOU for Internet Traffic delivered to the terminating Party's Tandem and/or End Office. (e) The ISP Order specifies that, in the event the FCC does not take further action within the final period during which the $.0007 per MOU rate cap will be applicable to Internet Traffic, that period will be extended until the FCC takes such further action. The Parties agree that the $.0007 per MOU rate for tandem-routed and/or End Office-routed traffic will continue in effect for Internet Traffic beyond June 13, 2004, if the FCC fails to take such further	that Party's network and terminates to a Customer of the other Party on that Party's network and is not Reciprocal Compensation Traffic, Measured Internet 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. 1.71a "Traffic Factor 1" means a percentage calculated by dividing the number of minutes of interstate tra ffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU." 1.71b "Traffic Factor 2" means a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU." 5.6.1.1 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call termination rate, Measured Internet Traffic 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 Exhibit A, the FCC Internet Order and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Reciprocal Compensation Traffic call termination rate, Measured Internet Traffic rate, intrastate Exchange Access rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.

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		action by that date, to the extent this Agreement remains in effect during such period. 5.7.7.3 Ratio (a) The FCC has adopted a rebuttable presumption that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic. Therefore, the combined Internet Traffic and section 251(b)(5) traffic shall be separated by applying a ratio factor of 3:1 until such time as either Party successfully rebuts this presumption in a proceeding conducted by a regulatory authority or court of competent jurisdiction. In the event that such a proceeding is instituted, the Parties may exercise their discovery rights pursuant to the Commission's procedures. All such traffic exchanged between the Parties up to a 3:1 ratio of terminating to originating traffic shall be deemed to be section 251(b)(5) traffic subject to the Reciprocal Compensation rates shown in Exhibit 1. Except as may be modified by subsection 5.7.7.4 below, the remainder of such traffic, i.e., all minutes exceeding the 3:1 ratio of terminating to originating traffic, shall be deemed to be Internet Traffic subject to the rates established in subsection 5.7.7.2 above. In the event that a regulatory authority or court of competent jurisdiction enters a final order establishing a different ratio factor for the separation of Internet Traffic and section 251(b)(5) traffic that is applicable to this Agreement, the Parties agree that such different ratio factor shall be substituted for the 3:1 ratio factor for purposes of implementing this section. Unless such final order specifies a different effective date for the different ratio factor, such substitution should become effective on the effective date of such final order. (b) In order that the Parties may calculate the balance of Local and Internet Traffic exchanged, the Parties agree to establish and implement a separate process ("Internet Ratio Calculation & Billing Process"), which shall be incorporated into this Agreement by amendment no later than 90 days following the Effective Date of this Agreement. The Parties agree that the following principles will govern the Internet Ratio Calculation & Billing Process: (i) Verizon and Cox shall, at an agreed-to interval following the end of the Parties' billing cycle(s), exchange billing summaries that include the total minutes of	5.6.1.2 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation 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 such other rates should apply to such traffic. 5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic, Measured Internet Traffic or Toll Traffic for billing purposes by using Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such Traffic Factors may be updated by the originating Party quarterly by written notification. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 5.7.5, below. **5.7 Reciprocal Compensation Arrangements -- Section 251(b)(5)** 5.7.1 The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic over the terminating carrier's switch in accordance with Section 251(b)(5) of the Act at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and subsection 20.1. These rates are to be applied at the Cox-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by Cox. No additional charges shall apply for the termination of such Reciprocal Compensation Traffic delivered to the Verizon-IP or the Cox-IP by the other Party, except as set forth in Exhibit A. When such Reciprocal Compensation Traffic is terminated over the same trunks as IntraLATA Toll Traffic, any port or transport or other applicable access charges related to the delivery of IntraLATA Toll Traffic from the IP to an end user shall be prorated to be applied only to the IntraLATA Toll Traffic. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the originating and terminating points of the complete end-to-end communication. 5.7.2 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this subsection 5.7, but instead shall be treated as described or referenced below:

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		combined Local and Internet Traffic received from the other Party and accumulated during an agreed-to period of time; (ii) the billing summary shall include the cumulative minutes of use associated with every call in which the calling and called party's NPA-NXX (or LNP-equivalent identifier) are located within the local calling area and any mandatory expanded area service, as defined by Verizon's tariffs; (iii) following each Party's calculation of the ratio, the Parties shall bill one another for their exchange of Local Traffic in accordance Section 5.7.1, and Cox will bill Verizon for its delivery of Internet Traffic according to this Section 5.7.7; and (iv) the Parties agree to make the Internet Ratio Calculation & Billing Process retroactive to the Effective Date of this Agreement. 5.7.7.4 Cap on Total Internet Traffic Minutes (a) For Internet Traffic exchanged during the year 2001, and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party on Internet Traffic minutes only up to a ceiling equal to, on an annualized basis, the number of Internet Traffic minutes for which the terminating Party was entitled to compensation during the first quarter of 2001, plus a ten percent growth factor. The Parties agree that the number of Internet Traffic minutes for which the terminating Party was entitled to compensation during the first quarter of 2001 is _____. Therefore, the cap for total Internet Traffic minutes for 2001, expressed on an annualized basis, is _____, which is calculated by multiplying the first quarter total by four and increasing the result by ten percent. (b) For Internet Traffic exchanged during the year 2002 and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party on Internet Traffic minutes only up to a ceiling equal to the number of Internet Traffic minutes for which the terminating Party was entitled to compensation in 2001, plus a ten percent growth factor. The Parties agree that the cap for total Internet Traffic minutes number of Internet Traffic minutes for which the terminating Party is entitled to compensation in 2002 is _____, which is calculated by increasing the cap for total Internet	(d) No Reciprocal Compensation shall apply to Measured Internet Traffic. 5.7.4 The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Measured Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission). 5.7.7 The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Measured Internet Traffic shall be governed by the terms of the FCC Internet Order, and other applicable FCC orders and FCC Regulations. Notwithstanding any other provision of this Agreement or any Tariff, a Party shall not be obligated to pay any intercarrier compensation for Measured Internet Traffic that is in excess of the intercarrier compensation for Measured Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations. 5.7.8 In addition to those audit rights provided in Section 5.7.5 above, Verizon may conduct audits of the traffic billed as Reciprocal Compensation Traffic to determine whether such traffic is Reciprocal Compensation Traffic and therefore subject to Reciprocal Compensation. If any such traffic is determined not to be Reciprocal Compensation Traffic, Verizon shall not pay Reciprocal Compensation for that portion which is determined not to be Reciprocal Compensation Traffic. **7.1 Information Services Traffic** The following provisions shall apply only to Cox-originated Information Services Traffic directed to an Information Services platform connected to Verizon's network, should Cox elect to deliver such traffic to Verizon. At such time as Cox connects Information Services platforms to its network, the Parties shall agree upon a comparable arrangement for Verizon-originated Information Services Traffic. The Information Services Traffic subject to the following provisions is circuit switched voice traffic, delivered to information service providers who offer recorded

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		Traffic minutes for 2001 by ten percent. (c) For Internet Traffic exchanged during the year 2003 and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party only on Internet Traffic minutes up to the year 2002 cap determined in subsection 5.7.7.4(b) above. (d) The cap will be applied on an annual basis. The terminating Party shall bill the originating Party monthly for all Internet Traffic received until the annual cap is reached, at which point, the terminating Party will cease further billing of Internet Traffic for the remainder of that calendar year. (e) The minutes of Internet Traffic that exceed the ceiling established for each year shall be exchanged by the Parties on a bill and keep basis, without compensation being paid on such excess minutes by either Party. Add footnotes to Exhibit A, A(I) and B(I): "See Section 5.7.7 regarding compensation for Internet Traffic." [Cox proposes to delete Verizon's proposed paragraph 5.7.8.] [Section 27.1 to 27.4 have been agreed to by Cox and Verizon]	announcement information or open discussion information programs to the general public. Information Services Traffic does not include Measured Internet Traffic. 27.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL 27.1 Each Party shall remain in compliance with Applicable Law federal, state, and local laws, rules and regulations in the course of performing this Agreement. Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder. 27.2 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC as an integral part of Verizon's application pursuant to Section 271(d) of the Act. In the event that any one or more of the provisions contained herein in Verizon's reasonable determination is likely to adversely affect Verizon's application pursuant to Section 271(d) of the Act, then the Parties agree to negotiate and make within 30 days only the minimum revisions that are necessary to eliminate the inconsistency or amend the application-affecting provision(s). 27.3 In the event of a change in Applicable Law that materially affects any material term of this Agreement, the rights or obligations of either Party hereunder, or the ability of either Party to perform any material provision hereof, the Parties shall renegotiate in good faith such affected provisions with a view toward agreeing to acceptable new terms as may be required or permitted as a result of such legislative, regulatory, judicial or other legal action. If, after good faith negotiations, the Parties agree that resolution will not be reached, then the provisions of Section 28.9 concerning dispute resolution and access to a regulatory or judicial forum shall apply. 27.4 Notwithstanding anything herein to the contrary, if, as a result of any final decision, final order or final determination of any judicial or regulatory authority with jurisdiction over the subject matter hereof, it is determined that Verizon is not required to furnish any Network Element, service, facility or arrangement, or to provide any benefit required to be furnished or provided hereunder, then Verizon may discontinue the provision of any such service, facility, arrangement or benefit to the extent permitted by any such Network Element, decision, order or

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			determination, as follows: the Parties agree to work cooperatively to develop an orderly and efficient transition process for discontinuation of provisioning of such Network Element, service, facility, arrangement or benefit. Unless otherwise agreed to by the Parties (or required by Applicable Law), the transition period shall be at most three (3) months from the date that the FCC (or other applicable governmental entity of competent jurisdiction) releases to the public such final decision, determination or order that Verizon is not required to provision a particular Network Element service, facility, arrangement or benefit. The Parties agree to, upon written request, modify by amendment the terms of the Agreement to reflect the discontinuation of such Network Element, service or arrangement.
	What are the appropriate terms and conditions to comprehensively implement the Commission's ISP Remand Order? *(a) How should Verizon and AT&T calculate whether traffic exceeds a 3:1 ratio of terminating to originating traffic?* *(b) How should Verizon and AT&T implement the rate caps for the ISP-bound traffic?* *(c) How should Verizon and AT&T calculate the growth cap on the total number of compensable ISP-bound traffic minutes?* *(d) How should the parties implement a Verizon offer to exchange all traffic subject to*	*[Note: the contract language listed here covers AT&T's restated I.5 as well as I.5a through 1.5e.]* *Add to section 1:* *"ISP-bound Traffic" shall have the same meaning, when used in this Agreement, as is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 (ISP Remand Order).* *Delete or modify Verizon's section 1.44 ("Internet Traffic")* *Add to section 5:* *1. This section is intended to implement the ISP Remand Order for any period in which the ISP Remand Order is effective during the Term of this Agreement. The Parties agree to compensate each other for delivering ISP-bound traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section and section 5.7. For purposes of this section, ISP-bound traffic and section 251(b)(5) Local Traffic shall be identified in accordance with the provisions of section 2 below.* *2. Compensation for ISP-bound Traffic* *2.1. All Local Traffic that is terminated by one Party for the other Party*	*1.31a "Extended Local Calling Scope Arrangement" means an arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.* *1.32a "FCC Internet Order" means Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).* *1.52(a) "Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined by Verizon. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX)*

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	section 251(b)(5) at the rate mandated by the FCC for terminating ISP-bound traffic? *(e) What mechanism should the parties utilize to implement, in an expeditious fashion, changes resulting from any successful legal appeals of the Commission's ISP Remand Order?*	*pursuant to this Agreement within any calendar quarter in excess of an amount (measured by total minutes of use) that is three times the traffic that is terminated by the other Party pursuant to this Agreement shall be conclusively defined as ISP-bound Traffic. All other Local Traffic that is exchanged between the Parties shall be conclusively defined as any call that would be considered a local call ("Voice Traffic").* *2.2. All Voice Traffic and all ISP-bound Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:* *2.2.1. All Voice Traffic that is exchanged pursuant to this Agreement shall be compensated pursuant to Exhibit A.* *2.2.2. All ISP-bound Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:* *(a) Commencing on the effective date of this Agreement and continuing until December 13, 2001, $.0015 per minute of use.* *(b) Commencing on December 14, 2001 and continuing until June 13, 2003, $.0010 per minute of use.* *(c) Commencing on June 14, 2003, $.0007 per minute of use. To the extent that the FCC has not taken further action with respect to inter-carrier compensation for ISP-bound Traffic by June 14, 2004 and this Agreement remains in effect after June 14, 2004, the Parties agree that the rate of $.0007 per minute of use for ISP-bound Traffic shall remain applicable for such period.* *(d) No charges shall apply to the carriage (including transport and termination) of Voice Traffic and ISP-bound Traffic by either Party for the other Party except as set forth above.* *2.2.3. The rates described in Section 2.2.2. above shall apply only if: (a) Verizon requests that ISP-bound Traffic be treated at the rates specified in the ISP Remand Order; (b) Verizon offers to exchange all traffic subject to the reciprocal compensation provisions of section 251(b)(5) with LECs,*	*basis, are not considered Measured Internet Traffic.* *1.68 "Reciprocal Compensation" means the arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network and refers to the payment arrangements set forth in Subsection 5.7 below.* *1.68(a) "Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, or exchange services for Exchange Access. The determination of whether Telecommunications traffic is Exchange Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined by Verizon; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in this Agreement). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.* *1.85(a) "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 Reciprocal Compensation Traffic, Measured Internet 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.* *1.87(a) "Traffic Factor 1" means (for traffic exchanged via Traffic Exchange Trunks) a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of*

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		CLECs, and CMRS providers at these rates; and (c) Verizon has paid all past due amounts owed to AT&T for the delivery of ISP-bound Traffic prior to June 14, 2001. If Verizon does not comply with these conditions, then the rate for the delivery of ISP-bound Traffic shall be the rate for the delivery of Voice Traffic. *2.3. The ability of either Party to receive compensation for ISP-bound Traffic shall be limited as follows based on "growth caps" on compensation for ISP-bound Traffic consistent with the ISP Remand Order. The Parties shall first determine the total number of minutes of use of ISP-bound Traffic (as defined in Section 2.1 above) terminated by one Party for the other Party for the three-month period commencing January 1, 2001 and ending March 31, 2001. The Parties shall then multiply this number of minutes by 4.4, and the resulting product shall be the terminating Party's "2001 ISP-bound Annualized Traffic Cap." The total number of minutes of use of ISP-bound Traffic for which one Party may receive compensation from the other Party during the period July 1, 2001 through December 31, 2001 shall equal 50% of that Party's 2001 ISP-bound Annualized Traffic Cap. The total number of minutes of use of ISP-bound Traffic for which one Party may receive compensation from the other Party during the period January 1, 2002 through December 31, 2002 or for any calendar year thereafter shall equal 1.1 times that Party's 2001 ISP-bound Annualized Traffic Cap. Neither Party may refuse to pay compensation for ISP-bound Traffic to the other Party based on the application of the foregoing "growth caps" until the aggregate amount of ISP-bound Traffic billed by the other Party for a specific calendar year exceeds the applicable maximum number of minutes of use of ISP-bound Traffic that may be compensated pursuant to this Section 2.3 for the entire year (beginning in calendar year 2002) or applicable portion thereof (for calendar year 2001).* *2.4. The Parties shall bill each other for Voice Traffic and ISP-bound Traffic each month on the following basis:* *2.4.1. For the period commencing on the effective date of this Agreement and continuing through September 30, 2001, each Party shall bill the other Party for Voice Traffic and ISP-bound Traffic based on the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic*	*interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."* *1.87(b) "Traffic Factor 2" means (for traffic exchanged via Traffic Exchange Trunks) a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."* *5.6.6 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on each call carried over the Traffic Exchange Trunks.* *5.6.6.1 As used in this Section 5.6.6, "Traffic Rate" means the applicable Reciprocal Compensation Traffic rate, Measured Internet Traffic rate, intrastate Switched Exchange Access Service rate, interstate Switched Exchange Access Service rate, or intrastate/interstate Tandem Transit Traffic rate, as provided in Exhibit A, an applicable Tariff, or, for Measured Internet Traffic, the FCC Internet Order.* *5.6.6.2 If the originating Party passes CPN on ninety percent (90%) or more of its calls, the receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. For the remaining (up to ten percent (10%)) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic in direct proportion to the minutes of use of calls passed with CPN information.* *5.6.6.3 If the originating Party passes CPN on less than ninety percent (90%) of its calls, the receiving Party shall bill the higher of its intrastate Switched Exchange*

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		represented by each type of traffic during the two-month period ending on May 31, 2001. For example, if Verizon terminated 100 minutes for AT&T during the two-month period ending on May 31 and AT&T terminated 500 minutes for Verizon during that period, the proportion of traffic terminated by AT&T would be 60% Voice Traffic [(3 x 100) / 500] and 40% ISP-bound Traffic [(500 – (3 x 100)) / 500], and for the period through September 30, 2001, AT&T would bill 60% of its total minutes of use billed for each month (or portion thereof) at the rate applicable to Voice Traffic and 40% of its total minutes of use at the rate applicable to ISP-bound Traffic. *2.4.2. For each calendar quarter commencing with the fourth quarter of 2001, each Party shall bill the other Party for Voice Traffic and ISP-bound Traffic based on the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic represented by each type of traffic during the first two months of the immediately preceding calendar quarter. For example, if Verizon terminated 100 minutes for AT&T during the period July 1, 2001 through August 31, 2001, and AT&T terminated 500 minutes for Verizon during that period, the proportion of traffic terminated by AT&T would be 60% Voice Traffic [(3 x 100) / 500] and 40% ISP-bound Traffic [(500 – (3 x 100)) / 500], and for the period October 1, 2001 through December 31, 2001, AT&T would bill 60% of its total minutes of use billed for each month (or portion thereof) at the rate applicable to Voice Traffic and 40% of its total minutes of use at the rate applicable to ISP-bound Traffic.* *2.4.3. Verizon will calculate the factors to be used for the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic represented by each type of traffic during periods referred to in Sections 2.4.1 and 2.4.2 above, and Verizon will notify AT&T of such factors in writing by no later than the first day of the period during which such factors will be used. Such factors will govern all billing during the applicable period, and the Parties will not true up any billing for prior periods based on actual balance of traffic during such period. However, AT&T may audit Verizon's factors as provided in Section 2.5 below, and the Parties will true up billing for any period to the extent the factors applicable to such period were incorrectly calculated.* *2.4.4. If a Party is terminating both Voice Traffic and ISP-bound Traffic for*	*Access Service rates or its interstate Switched Exchange Access Service rates for that traffic passed without CPN which exceeds ten percent (10%), unless the Parties mutually agree that such other rates should apply to such traffic. For any remaining (up to ten percent (10%)) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic, in direct proportion to the minutes of use of calls passed with CPN information.* *5.6.7 At such time as a receiving Party has the capability, on an automated basis, to use such CPN information to classify traffic delivered by the other Party by Traffic Rate type (e.g., Reciprocal Compensation Traffic/Measured Internet Traffic, intrastate Switched Exchange Access Service, interstate Switched Exchange Access Service, or intrastate/interstate Tandem Transit Traffic), such receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of Traffic for which CPN is passed. If the receiving Party lacks the capability to use CPN information to classify, on an automated basis, traffic delivered by the other Party by Traffic Type, the originating Party will supply an auditable Traffic Factor 1 and Traffic Factor 2 on a quarterly basis, based on the previous three months' traffic, and applicable to the following three months. Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6.7. Such factors may be updated by the originating Party quarterly by written notification.* *5.6.8 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., 8YY) calls shall be in accordance with applicable tariffs. Determinations as to whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be made in accordance with Section 5.7.4 below.* *5.7 Reciprocal Compensation Arrangements Section 251(b)(5)* *5.7.1 Reciprocal Compensation arrangements address the transport and termination of Reciprocal Compensation Traffic over the terminating carrier's switch in accordance with Section 251 (b)(5) of the Act. Verizon's delivery of Reciprocal Compensation Traffic to AT&T that originates with a third party carrier is addressed in Section 7.2. Where AT&T delivers any traffic originating with a third party carrier to Verizon, except as may be set forth herein or subsequently*

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		the other Party, that Party may bill all such traffic at a blended rate based on the weighted average of the rates applicable to Voice Traffic and the rates applicable to ISP-bound Traffic, using the factors specified in Section 2.4.3 above. In the event that AT&T is delivering both Voice Traffic and ISP-bound Traffic to Verizon, and Verizon does not provide factors to AT&T, including minute counts used to determine what portion of AT&T's traffic constitutes "Voice Traffic" and what traffic constitutes "ISP-bound Traffic," by the first day of the period during which such factors will be used, AT&T shall bill Verizon for all traffic during such period at the rate applicable to Voice Traffic. *2.4.5. AT&T shall have the right to audit factors provided by Verizon pursuant to Section 2.4.3 above and Verizon bills relating to settlements pursuant to this Section, as specified in Section 28.10 (Audits), including the right to audit the number of minutes of use terminated by Verizon for AT&T during any period to the extent such information may affect the volume of traffic that is considered to be Voice Traffic or ISP-bound Traffic under this Agreement. Each Party shall bear its own expenses associated with such audits (provided, however, that AT&T may seek reimbursement from Verizon in the event that an audit finds that an adjustment should be made in the charges that AT&T is entitled to collect from Verizon for reciprocal compensation by an amount that is greater than two percent (2%) of the aggregate charges for reciprocal compensation that had been billed in the audited period).* *2.5. The Parties have entered into this Agreement providing for differential compensation of Voice Traffic and ISP-bound Traffic based on the ISP Remand Order, which is on appeal to the United States Circuit Court of Appeals for the District of Columbia Circuit. Without waiving any of their rights to assert and pursue their positions on issues related to compensation for Voice Traffic and ISP-bound Traffic, each Party agrees that until the ISP Remand Order is stayed or reversed or modified on appeal, the Parties shall exchange and compensate each other for Voice Traffic and ISP-bound Traffic on the terms and conditions provided herein. At such time as the ISP Remand Order is stayed, reversed or modified, then (1) ISP-bound traffic shall be deemed Local Traffic retroactive to the effective date of this Agreement; (2) any compensation that would have been due under this Agreement since its*	*agreed to by the Parties, AT&T shall pay Verizon the same amount that such third party carrier would have paid Verizon for termination of that traffic at the location the traffic is delivered to Verizon by AT&T. Compensation for the transport and termination of traffic not specifically addressed in this Section 5.7 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.* *5.7.2 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.* *5.7.3 The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and Section 20 or, if not set forth therein, in the applicable Tariff(s) of the terminating Party, as the case may be. These rates are to be applied at the AT&T-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by AT&T. Except as expressly specified in this Agreement, no additional charges, including port or transport charges, shall apply for the termination of Reciprocal Compensation Traffic delivered to the Verizon-IP or the AT&T-IP by the other Party. When Reciprocal Compensation Traffic is terminated 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. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.* *5.7.3.1 The Reciprocal Compensation charges (including, but not limited to, the Reciprocal Compensation per minute of use charges) billed by AT&T to Verizon shall not exceed the Reciprocal Compensation charges (including, but not limited to, Reciprocal Compensation per minute of use charges) billed by Verizon to AT&T.* *5.7.4 Reciprocal Compensation shall not apply to Measured Internet Traffic. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and*

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		effective date for the exchange of ISP-bound traffic shall immediately be due and payable; and (3) the Parties shall immediately begin the exchange of ISP-bound traffic that was subject to the ISP Remand Order on the same terms, conditions, and rates as they exchange section 251(b)(5) traffic.	*other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Measured Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).* *5.7.5 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this Section 5.7, but instead shall be treated as described or referenced below:* *5.7.5.1 No Reciprocal Compensation shall apply to special access, private line, or any other traffic that is not switched by the terminating Party.* *5.7.5.2 IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties' respective Customers in Virginia) shall be treated in accordance with an arrangement mutually agreed to by the Parties.* *5.7.5.3 Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable federal and state Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with Section 6.3.* *5.7.5.3.1 At such time that the Parties reach agreement upon a mutually acceptable settlement process, the originating Party will receive a credit for reciprocal compensation in those instances:* *(i) where IntraLATA 8YY Toll Traffic calls are translated by the originating Party prior to delivery by that Party of such traffic to the terminating Party, and* *(ii) where the terminating Party bills the originating Party Reciprocal Compensation in error for such IntraLATA 8YY Toll Traffic; and* *(iii) where the originating Party provides appropriate records to the terminating Party to substantiate each request for credit.* *Subsequent to the Effective Date of this Agreement, the Parties shall negotiate a mutually acceptable settlement process for reciprocal compensation credits in accordance with this Section 5.7.7.3.1.*

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			5.7.5.4 Reciprocal Compensation shall not apply to Optional Extended Local Calling Area Traffic. *5.7.5.5 Reciprocal Compensation shall not apply to Tandem Transit Traffic.* *5.7.5.6 Reciprocal Compensation shall not apply to Voice Information Service Traffic (as defined in this Agreement).* *5.7.6 Other Types of Traffic* *5.7.6 Other Types of Traffic* *5.7.6.1 Notwithstanding any other provision of this Agreement or any Tariff: (a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Measured Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not be obligated to pay any intercarrier compensation for Measured Internet Traffic that is in excess of the intercarrier compensation for Measured Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.* *5.7.7 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that proper rates are being applied appropriately, provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner. Except as otherwise provided herein, audits shall be conducted pursuant to Section 28.10.* *See also Exhibit A, Part 2 to Verizon proposed AT&T contract. Because this portion of the contract is itself in a chart format, it is not transferable to the JDPL.* *27.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL* *27.1 Each Party shall remain in compliance with all Applicable Law in the course of performing this Agreement. Each Party shall promptly notify the other*

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			Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder. *27.2 Each Party shall reasonably cooperate with the other in obtaining and maintaining any required regulatory approvals for which the Party is responsible in connection with the performance of its obligations under this Agreement.* *27.3 Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification, subject to the rights of the Parties to appeal or challenge arbitrated provisions or arbitration decisions. The Parties also reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission, the FCC or any court rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s).* *27.4 In the event that any legislative, regulatory, judicial or other legal action materially affects any material term of this Agreement or the rights or obligations of either AT&T or Verizon hereunder or the ability of AT&T or Verizon to perform any material provision hereof, the Parties shall renegotiate in good faith such affected provisions with a view toward agreeing to acceptable new terms as may be required or permitted as a result of such legislative, regulatory, judicial or other legal action. Either Party may request such renegotiation by written notice to the other Party. The Parties shall thereafter renegotiate in good faith such mutually acceptable new or revised terms as may be required. Unless otherwise agreed to by the Parties, if, within ninety (90) days of the receipt of the request for renegotiation, the Parties have not agreed on mutually acceptable new or revised terms, either Party may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction.* *27.5 The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC as an integral part of Verizon's application pursuant to Section 271(d) of the Act.* *27.6 Notwithstanding anything herein to the contrary, if, as a result of any*

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			decision, order or determination of any judicial or regulatory authority with jurisdiction over the subject matter hereof, it is determined that Verizon is not required to furnish any service, facility or arrangement, or to provide any benefit required to be furnished or provided to AT&T hereunder, then Verizon may discontinue the provision of any such service, facility, arrangement or benefit to the extent permitted by any such decision, order or determination by providing thirty (30) days prior written notice to AT&T unless a different notice period or different conditions are 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.
I-6	**Is the jurisdiction of a call determined by the NPA-NXXs of the calling and called numbers?**	**Attachment I, Section 4.2.1.2:** **4.2.1.2 The provisions of this Section [4.2] apply to reciprocal compensation for transport and termination of Local Traffic. Local Traffic is traffic originated by one Party and directed to the NPA-NXX-XXXX of a LERG-registered end office of the other Party within a Local Calling Area and any extended service area, as defined by the Commission. Local Traffic includes most traffic directed to information service providers, but does not include traffic to Internet Service Providers.**	**Glossary** **2.80: Reciprocal Compensation Traffic.** **Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined in Verizon's applicable tariffs. Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined in Verizon's applicable tariffs; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.** **Local Interconnection Attachment** **7.2: Reciprocal Compensation.**

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			. . . . The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.
	Verizon may not impose infeasible methods for determining toll versus local traffic.	5.7.1 ....The designation of traffic as Local Traffic for purposes of Reciprocal Compensation shall be based on the originating and terminating NPA-NXXs of the complete end-to-end communication. 5.7.4 The designation of traffic as Local or IntraLATA Toll for purposes of compensation shall be based on the horizontal and vertical coordinates associated with the originating and terminating NPA-NXXs of the call, regardless of the carrier(s) involved in carrying any segment of the call.	1.60a "Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202). Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as set forth in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202); (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (6) Tandem Transit Traffic. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. 5.7.1 . . . . The designation of traffic as Local Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the originating and terminating NPA-NXXs points of the complete end-to-end communication.
	Is the jurisdiction of a call determined by the NPA-NXXs of the calling and called numbers?	*AT&T's Definitions § 1.51 should be adopted:* *"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, within a given local calling area or expanded area service area as determined by the calling and called NPA/NXX's.*	*1.68(a) "Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, or exchange services for Exchange Access. The determination of whether Telecommunications traffic is Exchange Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and*

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		The following sentence in Verizon's proposed section 5.7.3 should not be adopted: ~~*The designation of traffic as Local or Non-Local Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.*~~	*terminate within the same Verizon local calling area as defined by Verizon; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in this Agreement). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.* *5.7.3 . . . . The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.*
III-5	**Should the Interconnection Agreement include terms specifying that rates for transport and termination of Local Traffic must be symmetrical; specifying the transport and termination rates to be applied, including rates for tandem switching, transport to an end office, and end office switching; and specifying that where WorldCom's switch serves a geographic area comparable to the area served by Verizon's tandem switch, WorldCom shall charge for tandem switching?**	**Attachment I, Sections 4.2.1.3-4.2.1.4.2.1:** **4.2.1.3 Rates for transport and termination of Local Traffic must be symmetrical. For the purposes of this Section [4.2], symmetrical means that the rates MCIm charges Verizon for the transport and termination of Local Traffic equals the rates Verizon charges MCIm for the same services.** **4.2.1.4 The Parties shall bill each other the following rates for the transport and termination of Local Traffic.** **4.2.1.4.1 Transport (where used) – compensation for the transmission and any necessary tandem switching of Local Traffic.** **4.2.1.4.1.1 The rate for common transport is set forth in Table 1 of this Attachment I. For the purposes of this Section [4.2], both Parties shall bill each other the average mileage of all end offices subtending the applicable Verizon tandem office.** **4.2.1.4.1.2 Where MCIm's Switch serves a geographic area comparable to the area served by Verizon's tandem Switch, MCIm shall also charge**	**7.1.1.2 In the case of WorldCom as the receiving Party, Verizon may request, and WorldCom will then establish, geographically-relevant IPs by establishing a WorldCom-IP at a collocation site at each Verizon Tandem in a LATA (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon) for those WorldCom NPA-NXX's serving equivalent Verizon Rate Centers which subtend the Verizon Tandem (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon); provided, however, if Collocation is not available at a particular Verizon Tandem, End Office Host or such other Verizon Wire Center chosen by Verizon, the Parties will negotiate a mutually acceptable WorldCom-IP in such case. WorldCom shall identify its IPs in writing pursuant to Section 4.2. If WorldCom fails to establish a geographically relevant IP as provided herein within a commercially reasonable timeframe, then WorldCom shall bill and Verizon shall pay only the Local Call Termination End Office rate as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the WorldCom-IP (for traffic to the relevant NPA-NXX).** **7.1.1.3 At any time that WorldCom establishes a Collocation site at a Verizon End Office, then either Party may request that such WorldCom Collocation site be established as the WorldCom-IP for traffic originated by Verizon Customers**

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		Verizon for tandem switching in accordance with this Section. **4.2.1.4.2 Termination – compensation for the switching of Local Traffic at the terminating Party's end office Switch, or equivalent facility provided by MCIm.** **4.2.1.4.2.1 The rate for local switching is set forth in Table 1 of this Attachment I.**	**served by that End Office.** **7.1.1.4 In the case of Verizon making such request to WorldCom, WorldCom's obligation to establish an IP at an WorldCom Collocation site at a Verizon End Office shall be limited to no more than one (1) such WorldCom Collocation site within a given local calling area or non-optional Extended Local Calling Scope Arrangement as such areas are defined in Verizon's effective Customer tariffs, or, if the Commission has defined local calling areas applicable to all LECs, then as so defined by the Commission. 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 at a point that is not geographically relevant (as that term is described above) or another WorldCom-IP, then upon Verizon's request for a geographically relevant WorldCom-IP at such End Office Collocation, the Parties shall negotiate a mutually-acceptable transition process and schedule to implement the requested geographically-relevant IPs. If WorldCom should fail to establish an IP at an End Office Collocation site pursuant to Verizon's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically-relevant WorldCom-IPs or to an End Office Collocation site WorldCom-IP within sixty (60) days following Verizon's request, WorldCom shall bill and Verizon shall pay the applicable Local Call Termination End Office rate for the relevant NPA-NXX, as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the WorldCom-IP.** **See also Pricing Schedule**
	Tandem Rate: Where the geographic coverage of an AT&T switch is comparable to that of a Verizon tandem, should AT&T and Verizon receive comparable reciprocal compensation for terminating the other parties' traffic?	*The tandem termination rate should be included in Exhibit A as the rate AT&T may charge Verizon for termination of Verizon's traffic on AT&T's network. See also AT&T proposed Section 5.7.4:* *5.7.4 AT&T will pay VZ the approved rate for termination of Local Traffic at the Tandem Office rate (including both transport and End Office termination) for Local Traffic AT&T delivers to VZ via tandem trunks, and AT&T will pay VZ the approved rate for End Office termination for Local*	*4.1.3.2 In the case of AT&T as the receiving Party, Verizon may request, and AT&T will then establish, geographically-relevant IPs by establishing an AT&T-IP at a collocation site at each Verizon Tandem in a LATA (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon) for those (AT&T) NPA-NXX's serving equivalent Verizon Rate Centers which subtend the Verizon Tandem (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other*

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		Traffic AT&T delivers to VZ via end office trunks. VZ will pay AT&T the approved Tandem Office rate set forth in Exhibit A for Local Traffic VZ delivers to AT&T. IN ADDITION TO THE FOREGOING, WHERE EITHER PARTY DELIVERS TRAFFIC TO THE OTHER PARTY AT A POI LOCATION THAT IS DISTANT FROM THE TERMINATING SWITCH, THE PARTY DELIVERING THE TRAFFIC TO THAT LOCATION WILL PAY THE OTHER PARTY THAT PARTY'S APPROVED DEDICATED TRANSPORT RATE FOR THE DISTANCE BETWEEN THE POI AND TERMINATING SWITCH.	*Verizon Wire Center as determined by Verizon); provided, however, if Collocation is not available at a particular Verizon Tandem, End Office Host or such other Verizon Wire Center chosen by Verizon, the Parties will negotiate a mutually acceptable AT&T-IP in such case. AT&T shall identify its IPs in writing pursuant to Section 4.4. If AT&T fails to establish a geographically relevant IP as provided herein within a commercially reasonable timeframe, then AT&T shall bill and Verizon shall pay only the Local Call Termination End Office rate as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the AT&T-IP (for traffic to the relevant NPA-NXX).* *4.1.3.4 At any time that AT&T establishes a Collocation site at a Verizon End Office, then either Party may request that such AT&T Collocation site be established as the AT&T-IP for traffic originated by Verizon Customers served by that End Office.* *4.1.3.4.1 In the case of Verizon making such request to AT&T, AT&T's obligation to establish an IP at an AT&T Collocation site at a Verizon End Office shall be limited to no more than one (1) such AT&T Collocation site within a given local calling area or non-optional Extended Local Calling Scope Arrangement as such areas are defined in Verizon's effective Customer tariffs, or, if the Commission has defined local calling areas applicable to all LECs, then as so defined by the Commission. 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 at a point that is not geographically relevant (as that term is described above) or another AT&T-IP, then upon Verizon's request for a geographically relevant AT&T-IP at such End Office Collocation, the Parties shall negotiate a mutually-acceptable transition process and schedule to implement the requested geographically-relevant IPs. If AT&T should fail to establish an IP at an End Office Collocation site pursuant to Verizon's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically-relevant AT&T-IPs or to an End Office Collocation site AT&T-IP within sixty (60) days following Verizon's request, AT&T shall bill and Verizon shall pay the applicable Local Call Termination End Office rate for the relevant NPA-NXX, as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the AT&T-IP.*

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IV-35	**Should the ICA contain a provision that states that reciprocal compensation for the exchange of Local Traffic shall be paid?** [Linked to Issue I-5]	**Attachment I, Sections 4.2 through 4.2.1.4.2.1.** **4.2 Compensation for the Termination of Local Traffic** **4.2.1 Reciprocal Compensation for Local Traffic** **4.2.1.1 Reciprocal Compensation for the exchange of Local Traffic is set forth in Table 1 of this Attachment and shall be assessed on a per minute-of-use basis for the transport and termination of such traffic.** **4.2.1.2 The provisions of this Section [4.2] apply to reciprocal compensation for transport and termination of Local Traffic. Local Traffic is traffic originated by one Party and directed to the NPA-NXX-XXXX of a LERG-registered end office of the other Party within a Local Calling Area and any extended service area, as defined by the Commission. Local Traffic includes most traffic directed to information service providers, but does not include traffic to Internet Service Providers.** **4.2.1.3 Rates for transport and termination of Local Traffic must be symmetrical. For the purposes of this Section [4.2], symmetrical means that the rates MCIm charges Verizon for the transport and termination of Local Traffic equals the rates Verizon charges MCIm for the same services.** **4.2.1.4 The Parties shall bill each other the following rates for the transport and termination of Local Traffic.** **4.2.1.4.1 Transport (where used) – compensation for the transmission and any necessary tandem switching of Local Traffic.** **4.2.1.4.1.1 The rate for common transport is set forth in Table 1 of this Attachment I. For the purposes of this Section [4.2], both Parties shall**	**7. Reciprocal Compensation Arrangements – Pursuant to Section 251(b)(5) of the Act** **7.1 Reciprocal Compensation Traffic Interconnection Points.** **7.1.1 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which WorldCom will provide transport and termination of Reciprocal Compensation Traffic to its Customers ("WorldCom-IPs") shall be as follows:** **7.1.1.1 Intentionally left blank.** **7.1.1.2 In the case of WorldCom as the receiving Party, Verizon may request, and WorldCom will then establish, geographically-relevant IPs by establishing a WorldCom-IP at a collocation site at each Verizon Tandem in a LATA (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon) for those WorldCom NPA-NXX's serving equivalent Verizon Rate Centers which subtend the Verizon Tandem (or, in the case of a single Tandem LATA, at each Verizon End Office Host; or, in the case of a LATA with no Verizon Tandem, at such other Verizon Wire Center as determined by Verizon); provided, however, if Collocation is not available at a particular Verizon Tandem, End Office Host or such other Verizon Wire Center chosen by Verizon, the Parties will negotiate a mutually acceptable WorldCom-IP in such case. WorldCom shall identify its IPs in writing pursuant to Section 4.2. If WorldCom fails to establish a geographically relevant IP as provided herein within a commercially reasonable timeframe, then WorldCom shall bill and Verizon shall pay only the Local Call Termination End Office rate as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the WorldCom-IP (for traffic to the relevant NPA-NXX).** **7.1.1.3 At any time that WorldCom establishes a Collocation site at a Verizon End Office, then either Party may request that such WorldCom Collocation site**

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		bill each other the average mileage of all end offices subtending the applicable Verizon tandem office. **4.2.1.4.1.2 Where MCIm's Switch serves a geographic area comparable to the area served by Verizon's tandem Switch, MCIm shall also charge Verizon for tandem switching in accordance with this Section.** **4.2.1.4.2 Termination – compensation for the switching of Local Traffic at the terminating Party's end office Switch, or equivalent facility provided by MCIm.** **4.2.1.4.2.1 The rate for local switching is set forth in Table 1 of this Attachment I.**	**be established as the WorldCom-IP for traffic originated by Verizon Customers served by that End Office.** **7.1.1.4 In the case of Verizon making such request to WorldCom, WorldCom's obligation to establish an IP at an WorldCom Collocation site at a Verizon End Office shall be limited to no more than one (1) such WorldCom Collocation site within a given local calling area or non-optional Extended Local Calling Scope Arrangement as such areas are defined in Verizon's effective Customer tariffs, or, if the Commission has defined local calling areas applicable to all LECs, then as so defined by the Commission. 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 at a point that is not geographically relevant (as that term is described above) or another WorldCom-IP, then upon Verizon's request for a geographically relevant WorldCom-IP at such End Office Collocation, the Parties shall negotiate a mutually-acceptable transition process and schedule to implement the requested geographically-relevant IPs. If WorldCom should fail to establish an IP at an End Office Collocation site pursuant to Verizon's request, or if the Parties have been unable to agree upon a schedule for completing a transition from existing arrangements to geographically-relevant WorldCom-IPs or to an End Office Collocation site WorldCom-IP within sixty (60) days following Verizon's request, WorldCom shall bill and Verizon shall pay the applicable Local Call Termination End Office rate for the relevant NPA-NXX, as set forth in Exhibit A, less Verizon's monthly recurring rate for unbundled Dedicated Transport from Verizon's originating End Office to the WorldCom-IP.** **7.1.2 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which Verizon will provide transport and termination of Reciprocal Compensation Traffic to its Customers ("Verizon-IPs") shall be as follows:** **7.1.2.1 For Reciprocal Compensation Traffic delivered by WorldCom to the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer, the Verizon-IP will be the Verizon Tandem switch.** **7.1.2.2 For Reciprocal Compensation Traffic delivered by WorldCom to the**

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			Verizon terminating End Office Wire Center serving the Verizon Customer, the Verizon-IP will be Verizon End Office switch. **7.1.3 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 NPA-NXXs or functionalities served by those IPs. To the extent that any such WorldCom-IP is not located at a Collocation site at a Verizon Tandem Wire Center or Verizon End Office Wire Center, then WorldCom shall permit Verizon to establish physical Interconnection through collocation or other operationally comparable arrangements acceptable to Verizon at the WorldCom-IP.** **7.1.4 Each Party is responsible for delivering its Reciprocal Compensation Traffic that is to be terminated by the other Party to the other Party's relevant IP.** **7.2 Reciprocal Compensation. The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates stated in the Pricing Attachment. These rates are to be applied at the WorldCom-IP for traffic delivered by Verizon for termination by WorldCom, and at the Verizon-IP for traffic delivered by WorldCom for termination by Verizon. Except as expressly specified in this Agreement, no additional charges shall apply for the termination from the IP to the Customer of Reciprocal Compensation Traffic delivered to the Verizon-IP by WorldCom or the WorldCom-IP by Verizon. When such Reciprocal Compensation Traffic is delivered 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. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.** **7.3 Traffic Not Subject to Reciprocal Compensation.** **7.3.1 Reciprocal Compensation shall not apply to interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange**

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			Access or Information Access. **7.3.2 Reciprocal Compensation shall not apply to Measured Internet Traffic.** **7.3.2.1 The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Measured Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).** **7.3.3 Reciprocal Compensation shall not apply to Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis.** **7.3.4 Reciprocal Compensation shall not apply to Optional Extended Local Calling Area Traffic.** **7.3.5 Reciprocal Compensation shall not apply to special access, private line, or any other traffic that is not switched by the terminating Party.** **7.3.6 Reciprocal Compensation shall not apply to Tandem Transit Traffic.** **7.3.7 Reciprocal Compensation shall not apply to Voice Information Services Traffic (as defined in Section 5 of the Additional Services Attachment).** **7.3.8 The Reciprocal Compensation charges (including, but not limited to, the Reciprocal Compensation per minute of use charges) billed by WorldCom to Verizon shall not exceed the Reciprocal Compensation charges (including, but not limited to, Reciprocal Compensation per minute of use charges) billed by Verizon to WorldCom.** **7.4 Other Types of Traffic.** **7.4.1 Notwithstanding any other provision of this Agreement or any Tariff:**

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			(a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Measured Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not be obligated to pay any intercarrier compensation for Measured Internet Traffic that is in excess of the intercarrier compensation for Measured Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations. **7.4.2 Subject to Section 7.4 above, interstate and intrastate Exchange Access, Information Access, exchange services for Exchange Access or Information Access, and Toll Traffic, shall be governed by the applicable provisions of this Agreement and applicable Tariffs.** **7.4.3 For any traffic originating with a third party carrier and delivered by WorldCom to Verizon, WorldCom shall pay Verizon the same amount that such third party carrier would have been obligated to pay Verizon for termination of that traffic at the location the traffic is delivered to Verizon by WorldCom.** **7.4.4 Any traffic not specifically addressed in this Agreement shall be treated as required by the applicable Tariff of the Party transporting and/or terminating the traffic.** **7.5 Interconnection Points.** **7.5.1 The IP of a Party ("Receiving Party") for Measured Internet Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation Traffic under Section 7.1 above.** **7.5.2 Except as otherwise set forth in the applicable Tariff of a Party ("Receiving Party") that receives Toll Traffic from the other Party, the IP of the Receiving Party for Toll Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation Traffic under Section 7.1 above.**

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			7.5.3 The IP for traffic exchanged between the Parties that is not Reciprocal Compensation Traffic, Measured Internet Traffic or Toll Traffic, shall be as specified in the applicable provisions of this Agreement or the applicable Tariff of the receiving Party, or in the absence of applicable provisions in this Agreement or a Tariff of the receiving Party, as mutually agreed by the Parties. **7.6 "Extended Local Calling Scope Arrangement". An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional.** **7.7 "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.** **7.8 "FCC Internet Order". Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).** **7.9 "FCC Regulations". The unstayed, effective regulations promulgated by the FCC, as amended from time to time.** **7.10 "Internet Traffic". Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.** **7.11 "IP (Interconnection Point)". For Reciprocal Compensation Traffic, the point at which a Party who receives Reciprocal Compensation Traffic from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic.** **7.12 "Measured Internet Traffic". Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in**

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			Verizon's applicable tariffs. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic. **7.13 "Reciprocal Compensation". The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section 7.2 of the Interconnection Attachment).** **7.14 "Reciprocal Compensation Traffic". Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined in Verizon's applicable tariffs. Reciprocal Compensation Traffic does not include: (1) any Measured Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined in Verizon's applicable tariffs; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.** **7.15 "Toll Traffic". 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**

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			other Party's network and is not Reciprocal Compensation Traffic, Measured Internet 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. **7.16 "Traffic Factor 1". For traffic exchanged via Interconnection Trunks, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."** **7.17 "Traffic Factor 2". For traffic exchange via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."** **See also: Pricing Schedule**
V-8	*Issue V.8* ***Competitive Tandem Service*** *Should the contract terms relating to the Parties' joint provision of terminating meet point traffic to an IXC customer be reciprocal, regardless of which Party provides the tandem switching function? Put another way, should the contract terms*	*The following terms should be added to Schedule 4, Part B: INTERCONNECTION ARCHITECTURE* *6 COMPETITIVE TANDEM SERVICE – Upon request by AT&T, the Parties will establish two-way competitive-tandem trunk groups separate from ESIT trunk groups, to carry traffic between AT&T's switched access customer connected to AT&T's switch and Verizon's local customers. Such trunks will be established in GR-394-CORE format. The Parties agree that the following provisions will apply to the switching and*	*5.7.1 . . . . Where AT&T delivers any traffic originating with a third party carrier to Verizon, except as may be set forth herein or subsequently agreed to by the Parties, AT&T shall pay Verizon the same amount that such third party carrier would have paid Verizon for termination of that traffic at the location the traffic is delivered to Verizon by AT&T. Compensation for the transport and termination of traffic not specifically addressed in this Section 5.7 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.*

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	make clear that AT&T and Verizon are peer local exchange carriers and should not bill one another for meet point traffic?	*transport of competitive-tandem traffic:* *6.1 Verizon will provide to AT&T UNE local switching, tandem switching and transport of Feature Group D calls from end-users who have chosen an IXC that is connected to the AT&T's tandem switch.* *6.2 The charges applicable to the functions provided by Verizon to AT&T will be in accordance with Exhibit A.* *6.3 Verizon may bill AT&T directly for the UNEs ordered by AT&T.* *6.4 AT&T shall direct traffic received from Switched Access customers directly to Verizon's end office serving the called party where such connection exists and is available. Where no such end office connection exists or is available, AT&T may direct such traffic to Verizon's tandem serving the called party's end office.* *6.5 Upon request from AT&T, Verizon shall provide the Carrier Identification Parameter option with competitive-tandem trunk groups ordered by AT&T, so that the primary customer's carrier identification code (CIC) or the CIC designated by the origination of the call will be sent to AT&T in the initial address message of the common channel signaling protocol.* *6.6 The Parties will exchange SS7 signaling messages with one another, where and as available. The Parties will provide all line information signaling parameters including, but not limited to, Calling Party Number, Charge Number (if it is different from calling party number), and originating line information ("OLI"). For terminating FGD, the Parties will pass any CPN they receive from other carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (SS7 environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where TNS information has not been provided by AT&T, Verizon will route originating Switched Access traffic to the IXC using available translations. The Parties will follow all industry Ordering and Billing*	*6.0 TRANSMISSION AND ROUTING OF EXCHANGE ACCESS TRAFFIC PURSUANT TO 251(C)(2)* *6.1 Scope of Traffic* *Section 6 prescribes parameters for certain trunks to be established over the Interconnections specified in Section 4 for the transmission and routing of traffic between AT&T Telephone Exchange Service Customers and Interexchange Carriers ("Access Toll Connecting Trunks"), in any case where AT&T elects to have its End Office Switch subtend a Verizon Tandem. This includes casually-dialed (10XXX and 101XXXX) traffic.* *6.2 Trunk Group Architecture and Traffic Routing* *6.2.1 AT&T shall establish Access Toll Connecting Trunks pursuant to applicable access tariffs by which it will provide tandem-transported Switched Exchange Access Services to Interexchange Carriers to enable such Interexchange Carriers to originate and terminate traffic to and from AT&T's Customers.* *6.2.2 Access Toll Connecting Trunks shall be used solely for the transmission and routing of Exchange Access to allow AT&T's Customers to connect to or be connected to the interexchange trunks of any Interexchange Carrier which is connected to a Verizon access tandem.* *6.2.3 Except as provided in Section 6.2.5, the Access Toll Connecting Trunks shall be two-way trunks. Such trunks shall connect the End Office AT&T utilizes to provide Telephone Exchange Service and Switched Exchange Access to its Customers in a given LATA to the Tandem Verizon utilizes to provide Exchange Access in such LATA.* *6.2.4 If AT&T chooses to subtend a Verizon access Tandem, then AT&T's NPA/NXX must be assigned by AT&T to subtend the same Verizon access Tandem that a Verizon NPA/NXX serving the same Rate Center subtends as identified in the LERG.* *6.2.5 The Untranslated 8YY Access Toll Connecting Trunks will be established by AT&T as a one-way trunk to enable AT&T to deliver untranslated 8YY traffic to a Verizon access Tandem in the LATA that is capable of querying the industry toll free*

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		Forum (OBF) adopted guidelines pertaining to TNS codes. *The following terms should be adopted in Schedule 4, Part B, Section 4.* *4 MEET POINT TRAFFIC - The Parties will establish two-way meet point trunk groups separate from ESIT trunk groups, to carry Meet Point Traffic. The trunks will be established in GR-394-CORE format. The Parties agree that the following provisions will apply to the switching and transport of Meet Point Traffic:* *4.1 AT&T will provide local switching and, at its discretion, transport of Feature Group B and D calls from AT&T end-users who have chosen an IXC that is connected to Verizon's tandem switch.* *4.2 Verizon will provide, tandem switching and, if so requested by AT&T, transport of Feature Group B and D calls from AT&T end-users who have chosen an IXC that is connected to Verizon's tandem switch.* *4.3 Neither Party will charge the other for the use of its facilities, and the Parties will each bill the IXC customer in accordance with MECOD/MECAB guidelines.* *4.4 Neither Party will have the responsibility for ensuring that the Switched Access Service customer accepts or pays for the traffic billed by the other Party.* *4.5 Verizon shall direct traffic received from Switched Access customers directly to AT&T's end office serving the called party where such connection exists and is available.* *4.6 Originating Feature Group B calls delivered to either Party's tandem shall use GR-317-CORE signaling format unless the associated FGB carrier employs GR-394-CORE signaling for its FGB traffic at the serving access tandem.* *4.7 The Parties will exchange SS7 signaling messages with one another, where and as available. The Parties will provide all line information signaling parameters including, but not limited to, Calling Party*	*database and upon which the Parties agree.* *6.3 Meet Point Billing Arrangements* *6.3.1 AT&T and Verizon will establish Meet-Point Billing ("MPB") arrangements in order to provide a common transport option to Switched Exchange Access Services Customers via a Verizon access Tandem Switch in accordance with the Meet Point Billing guidelines contained in the OBF's MECAB and MECOD documents, except as modified herein, and Verizon's applicable Tariffs. The arrangements described in this Section 6 are intended to be used to provide Switched Exchange Access Service that originates and/or terminates on Telephone Exchange Service that is provided by either Party, where the transport component of the Switched Exchange Access Service is routed through a Tandem Switch that is provided by Verizon.* *6.3.2 In each LATA, the Parties shall establish MPB arrangements between the applicable Rating Point/Verizon serving Wire Center combinations.* *6.3.3 Interconnection for the MPB arrangement shall occur at the Verizon access tandems in the LATA, unless otherwise agreed to by the Parties.* *6.3.4 AT&T and Verizon will use reasonable efforts, individually and collectively, to maintain provisions in their respective state access Tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor Tariff sufficient to reflect the MPB arrangements established pursuant to this Agreement.* *6.3.5 In general, there are four alternative Meet-Point Billing arrangements possible, which are: Single Bill/Single Tariff, Multiple Bill/Single Tariff, Multiple Bill/Multiple Tariff and Single Bill/Multiple Tariff, as outlined in the OBF MECAB Guidelines. Each Party shall implement the Multiple Bill/Single Tariff or Multiple Bill/Multiple Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided Telecommunications Service provided by that Party. Alternatively, in former Bell Atlantic service areas, upon agreement of the Parties, each Party may use the New York State Access Pool on its behalf to implement Single Bill/Multiple Tariff or Single Bill/Single Tariff option, as appropriate, in order to bill an IXC for the portion of the jointly provided telecommunications*

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		Number, Charge Number (if it is different from calling party number), and originating line information ("OLI"). For terminating FGD, either Party will pass any CPN it receives from other carriers. All privacy indicators will be honored. Where available, network signaling information such as Transit Network Selection ("TNS") parameter (SS7 environment) will be provided by the end office Party wherever such information is needed for call routing or billing. Where TNS information has not been provided by the end office Party, the tandem Party will route originating Switched Access traffic to the IXC using available translations. The Parties will follow all industry Ordering and Billing Forum (OBF) adopted guidelines pertaining to TNS codes.	*service provided by each Party.* *6.3.6 The rate elements to be billed by each Party shall be as set forth in that Party's applicable Tariffs. The actual rate values for each Party's affected Switched Exchange Access Service rate element shall be the rates contained in that Party's own effective federal and state access Tariffs, or other document that contains the terms under which that Party's access services are offered. The MPB billing percentages for each Routing Point/Verizon serving Wire Center combination shall be calculated in accordance with the formula set forth in Section 6.3.15.* *6.3.7 Each Party shall provide the other Party with the billing name, billing address, and Carrier Identification Code ("CIC") of the IXC, and identification of the IXC's serving Wire Center in order to comply with the MPB notification process as outlined in the MECAB document via facsimile or such other media as the Parties may agree to. If either Party does not initially record sufficient bill detail for any IXC traffic that will utilize a portion of its network in an AT&T/Verizon MPB arrangement, and for whom either Party must supply to the other MPB billing information, each Party agrees that it will assist the other Party in resolving these billing matters to allow that Party to obtain reimbursement from the IXC by providing as much billing detail as is available to the other Party, and by participating in any studies or discussions required to obtain supporting detail.* *6.3.8 Verizon shall provide AT&T with the Switched Access Detail Usage Data (EMI category 1101XX records) on magnetic tape or via such other media as the Parties may agree to, no later than ten (10) business days after the date the usage occurred.* *6.3.9 AT&T shall provide Verizon with the Switched Access Summary Usage Data (EMI category 1150XX records) on magnetic tape or via such other media as the Parties may agree, no later than ten (10) business days after the date of its rendering of the bill to the relevant IXC, which bill shall be rendered no less frequently than monthly.* *6.3.10 All usage data to be provided pursuant to Subsections 6.3.8 and 6.3.9 above shall be sent to the following addresses:*

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			To AT&T: *300 North Point Parkway* *FLOC217MO1* *Alpharetta Georgia, 30005* *ATTN: AC&R Access Bill* *To Verizon:* *New York Access Billing c/o ACM Inc.* *120 Erie Blvd.* *Schenectady, NY 12305* *ATTN: Mark Ferri* *Facsimile: (518) 374-7511* *Either Party may change its address for receiving usage data by notifying the other Party in writing pursuant to Section 28.12 .* *6.3.11 Each Party shall coordinate and exchange the billing account reference ("BAR") and billing account cross reference ("BACR") numbers or Operating Company Number ("OCN"), as appropriate, for the MPB arrangements described in this Section 6. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number, or if the OCN changes.* *6.3.12 Each Party agrees to provide the other Party with notification of any errors it discovers in MPB data within 30 calendar days of the receipt of the original data. The other Party shall attempt to correct the error and resubmit the data within ten (10) business days of the notification. In the event the errors cannot be corrected within such ten (10) business day period, the erroneous data will be considered lost. In the event of a loss of data, whether due to uncorrectable errors or otherwise, both Parties shall cooperate to reconstruct the lost data and, if such reconstruction is not possible, shall accept a reasonable estimate of the lost data based upon prior usage data, and a payment based on such estimated amount shall be made.* *6.3.13 Either Party may request a review or audit of the various components of access recording up to a maximum of two (2) audits per calendar year. All costs associated with each review and audit shall be borne by the requesting Party. Such*

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			review or audit shall be conducted subject to Section 28.10 of this Agreement and during regular business hours. A Party may conduct additional audits, at its expense, upon the other Party's consent, which consent shall not be unreasonably withheld. *6.3.14 Except as may otherwise be set forth in Section 6.3.12 above, nothing contained in this Section 6.3 shall create any liability for damages, losses, claims, costs, injuries, expenses or other liabilities whatsoever on the part of either Party (other than as may be set forth in MECAB or in any applicable Tariff subject to the limitations on liability set forth in this Agreement).* *6.3.15 MPB will apply for all traffic bearing the 500, 900, toll free service access code (e.g., 800/888/877) (to the extent provided by an IXC) or any other non-geographic NPA which may be designated for such traffic in the future. In the event AT&T determines to offer Telephone Exchange Services in another LATA in Virginia in which Verizon operates an access Tandem Switch, Verizon shall permit and enable AT&T to subtend the Verizon access Tandem Switch(es) designated for the Verizon End Offices in the area where the AT&T Rating Point(s) associated with the NPA NXX(s) to/from which the Switched Exchange Access Services are homed. The MPB billing percentages for each Routing Point/Verizon Serving Wire Center combination shall be calculated according to the following formula:* *a / (a + b) = AT&T Billing Percentage* *and* *b / (a + b) = Verizon Billing Percentage* *where:* *a = the airline mileage between the AT&T Routing Point and the actual point of interconnection for the MPB arrangement; and* *b = the airline mileage between the Verizon serving Wire Center and the actual point of interconnection for the MPB arrangement.* *6.3.16 AT&T shall inform Verizon of each LATA in which it intends to offer Telephone Exchange Services and its calculation of the billing percentages which should apply for such arrangement. Within ten (10) business days of AT&T's delivery of notice to Verizon, Verizon and AT&T shall confirm the Routing Point/Verizon serving Wire Center combination and billing percentages.*

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Verizon's Proposed Contract Language
VII-8	*Issue VII-8* ***Transport Rates*** *Should AT&T be permitted to pay the end office rate for delivery to Verizon's tandem, and thereby avoid paying its fair share of transport costs by failing to pay that tandem rate?*	**Issue Withdrawn by Verizon. AT&T and Verizon agree that any underlying dispute is subsumed within III-5 and V-2.**	
VII-9	*Should reciprocal compensation apply to special access, private line, or any other traffic that is not switched by the terminating party?*	***RESOLVED***	

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