21.4 No Limitation. Each Party is responsible for determining whether the above minimum insurance coverages are adequate to protect its interests. The above minimum coverages do not constitute limitations upon either Party's liability.

21.5 Verizon and AT&T agree that each Party may satisfy the requirements of this Section 21 through self-insurance; provided that, upon request from one Party to the self-insuring Party, the self-insuring Party shall provide to the requesting Party a letter of self insurance or other documentation of self insurance satisfactory to the requesting Party.

21.6 Upon request from AT&T, Verizon shall provide a certificate of insurance or other acceptable proof of the foregoing insurance which shall be sent to: Mr. James Li, AT&T, Risk Management, 295 North Maple Avenue, Basking Ridge, New Jersey 07920-1002.

22.0 TERM AND TERMINATION; DEFAULT

22.1 This Agreement shall be effective as of the date first above written and, unless terminated earlier in accordance with the terms hereof, shall continue in effect until MM/DD, 200X (the "Initial Term"), and thereafter the Agreement shall continue in force and effect on a month-to-month basis unless and until terminated as provided herein. Following termination of this Agreement pursuant to this Section 22.1, this Agreement shall remain in effect as to any Termination Date Verizon Service for the remainder of the Contract Period applicable to such Termination Date Verizon Service at the time of the termination of this Agreement. If a Termination Date Verizon Service is terminated prior to the expiration of the Contract Period applicable to such Termination Date Verizon Service, AT&T shall pay any termination charge provided for in this Agreement.

22.2 [Intentionally deleted]

22.3 Either AT&T or Verizon may terminate this Agreement, effective upon the expiration of the Initial Term or effective upon any date after expiration of the Initial Term, by providing written notice of termination at least ninety (90) days in advance of the date of termination.

22.3.1 If either AT&T or Verizon provides notice of termination pursuant to Section 22.3 above and on or before the proposed date of termination either AT&T or Verizon has requested negotiation of a new interconnection agreement, unless this Agreement is cancelled or terminated earlier in accordance with the terms hereof (including, but not limited to, pursuant to Section 22.4), this Agreement shall remain in effect until the earlier of: (a) the effective date of a new interconnection agreement between AT&T and Verizon; or, (b) the date one (1) year after the proposed date of termination, unless otherwise agreed in writing by the Parties.

22.3.2 If either AT&T or Verizon provides notice of termination pursuant to Section 22.3 above and by 11:59 PM Eastern Time on the proposed date of termination neither AT&T nor Verizon has requested negotiation of a new interconnection

agreement, (a) this Agreement will terminate at 11:59 PM Eastern Time on the proposed date of termination, and (b) the service arrangements being provided under this Agreement at the time of termination will be terminated, except to the extent that the Purchasing Party has requested that such service arrangements continue to be provided pursuant to an applicable Tariff or SGAT.

22.4 If either Party defaults in the payment of any amount due hereunder, except for amounts subject to a bona fide dispute pursuant to Section 28.9 hereof with respect to which the disputing Party has complied with the requirements of Section 28.9 in its entirety or if either Party materially violates any other material provision of this Agreement, and such default or violation shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement or suspend the provision of any or all services hereunder by providing written notice to the defaulting Party. At least twenty-five (25) days prior to the effective date of such termination or suspension, the other Party must provide the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice of its intention to terminate the Agreement or suspend service if the default is not cured. Notice shall be posted by overnight mail, return receipt requested. If the defaulting Party cures the default or violation within the sixty (60) day period, the other Party shall not terminate the Agreement or suspend service provided hereunder but shall be entitled to recover all reasonable costs, if any, incurred by it in connection with the default or violation, including, without limitation, costs incurred to prepare for the termination of the Agreement or the suspension of service provided hereunder.

22.5 If a good faith dispute arises between the Parties as to whether the breaching Party has materially violated a material provision of this Agreement (other than an obligation to make payment of any amount billed under this Agreement, in which case, Section 28.9 shall apply) and the dispute resolution process identified in Section 28.11 applies to the subject matter of such dispute, the alleged breach or violation shall not constitute cause for termination of this Agreement or suspension of the provision of services hereunder, if: (a) within thirty (30) days of the date that the other Party gives the breaching Party written notice of such alleged breach or violation, the breaching Party gives the other Party written notice of the dispute, including the basis therefor, and initiates the process for resolution of disputes identified in Section 28.11; (b) the breaching Party complies with and completes the process identified in Section 28.11 for resolution of the dispute; and, (c) within thirty (30) days after the completion of such process for resolution of the dispute identified in Section 28.11 (or such longer period as may be agreed to by the Parties or allowed pursuant to the dispute resolution process), the breaching Party cures any breach that has been determined in the dispute resolution process to have occurred, and takes any other action to resolve the dispute agreed upon by the Parties or as directed in accordance with the dispute resolution process. The existence of such a dispute shall not relieve the breaching Party of its duty to otherwise comply with this Agreement and to perform all of its other obligations under this Agreement.

23.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT (OR AS MAY BE PROVIDED UNDER APPLICABLE LAW), NEITHER PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FACILITIES OR ARRANGEMENTS PROVIDED HEREUNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM ANY OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

24.0 INDEMNIFICATION

24.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party ("Indemnified Party") from and against any and all Losses that arise out of bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the negligent or otherwise tortious acts or omissions in connection with this Agreement of the Indemnifying Party, or the directors, officers, employees, agents, or contractors (excluding the Indemnified Party), of the Indemnifying Party.

24.2 Nothing in Section 24.0 shall affect or limit any claims, remedies, or other actions the Indemnifying Party may have against the Indemnified Party under this Agreement, any other contract, any applicable Tariff(s), or Applicable Law, relating to the Indemnified Party's provision of services, facilities or arrangements to the Indemnifying Party under this Agreement.

24.3 An Indemnifying Party's obligation to indemnify, defend and hold harmless the Indemnified Party as provided in this Section 24.0 shall be conditioned upon the following:

a) The Indemnified Party shall promptly notify the Indemnifying Party of any action taken against the Indemnified Party relating to the Indemnifying Party's obligations under this Section 24.0. However, the failure to give such notice shall release the Indemnifying Party from its obligations under this Section 24.0 only to the extent the failure to give such notice has prejudiced the Indemnifying Party.

b) The Indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the Indemnified Party may engage separate legal counsel only at the Indemnified Party's sole cost and expense.

c) In no event shall the Indemnifying Party settle or consent to any judgment in an action without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld. However, in the event the settlement or judgment requires a contribution from or affects the rights of the Indemnified Party, the Indemnified Party shall have the right to refuse such settlement or judgment and, at its own cost and expense, take over the defense against such Loss, provided that in such

event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the Indemnified Party against, the Loss for any amount in excess of such refused settlement or judgment.

d) The Indemnified Party shall, in all cases, assert any and all provisions in its Tariffs that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

e) The Indemnified Party shall offer the Indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

24.4 Each Party agrees that it will not implead or bring any action against the other Party or its affiliates, or any of their respective directors, officers, agents or employees, based on any claim by any person for personal injury or death that occurs in the course or scope of employment of such person by the other Party and that arises out of performance of this Agreement.

24.5 In addition to its other obligations under this Section 24.0, each Party shall, to the extent allowed by Applicable Law, provide in its Tariffs and contracts with its Customers, that, except for gross negligence or willful misconduct, in no case shall such Party or any of its agents, contractors or others retained by such Party be liable to any Customer or third party for (i) any loss relating to or arising out of the services, facilities or arrangements obtained or provided under this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable Customer for the service(s) or function(s) that gave rise to such loss, and (ii) Consequential Damages.

24.6 Notwithstanding any other provision of this Agreement, with respect to Verizon's provision of Line Sharing to AT&T hereunder, each Party shall release, indemnify, defend and hold harmless the other Party for any Loss suffered, made, instituted, or asserted by the other Party's Customer(s) that arise from disruptions to that Customer's service or from any violation of Applicable Law governing the privacy of the Customer's communications, and that are proximately caused by the grossly negligent or willful acts or omissions of the Indemnifying Party in connection with a Line Sharing arrangement.

25.0 LIMITATION OF LIABILITY

25.1 As used in this Section 25, "Service Failure" means a failure to comply with a direction to install, restore or terminate Services under this Agreement, a failure to provide Services under this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any Services under this Agreement.

25.2 Except as otherwise stated in Section 25.5, the liability, if any, of a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, to the other Party, the other Party's Customers, and to any other person, for Claims arising out of a Service Failure shall not exceed an amount equal to the pro rata

applicable monthly charge for the Services that are subject to the Service Failure for the period in which such Service Failure occurs.

25.3 Except as otherwise stated in Section 25.5, a Party, a Party's Affiliates, and the directors, officers and employees of a Party and a Party's Affiliates, shall not be liable to the other Party, the other Party's Customers, or to any other person, in connection with this Agreement (including, but not limited to, in connection with a Service Failure or any breach, delay or failure in performance, of this Agreement) for special, indirect, incidental, consequential, reliance, exemplary, punitive, or like damages, including, but not limited to, damages for lost revenues, profits or savings, or other commercial or economic loss, even if the person whose liability is excluded by this Section has been advised of the possibility of such damages.

25.4 The limitations and exclusions of liability stated in Sections 25.1 through 25.3 shall apply regardless of the form of a claim or action, whether statutory, in contract, warranty, strict liability, tort (including, but not limited to, negligence of a Party), or otherwise.

25.5 Nothing contained in Sections 25.1 through 25.4 shall exclude or limit liability:

25.5.1 under Sections 24, Indemnification or 28.7, Taxes.

25.5.2 for any obligation to indemnify, defend and/or hold harmless that a Party may have under this Agreement.

25.5.3 for damages arising out of or resulting from bodily injury to or death of any person, or damage to, or destruction or loss of, tangible real and/or personal property of any person, or Toxic or Hazardous Substances, to the extent such damages are otherwise recoverable under Applicable Law;

25.5.4 for a claim for infringement of any patent, copyright, trade name, trade mark, service mark, or other intellectual property interest;

25.5.5 under Section 258 of the Act or any order of FCC or the Commission implementing Section 258; or

25.5.6 under the financial incentive or remedy provisions of any service quality plan required by the FCC or the Commission.

25.6 In the event that the liability of a Party, a Party's Affiliate, or a director, officer or employee of a Party or a Party's Affiliate, is limited and/or excluded under both this Section 25 and a provision of an applicable Tariff, the liability of the Party or other person shall be limited to the smaller of the amounts for which such Party or other person would be liable under this Section or the Tariff provision.

25.7 Each Party shall, in its tariffs and other contracts with its Customers, provide that in no case shall the other Party, the other Party's Affiliates, or the directors,

officers or employees of the other Party or the other Party's Affiliates, be liable to such Customers or other third-persons for any special, indirect, incidental, consequential, reliance, exemplary, punitive or other damages, arising out of a Service Failure.

25.8 For purposes of this Agreement, "Claims" shall mean any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including, but not limited to court costs), and expenses (including, but not limited to, reasonable attorney's fees).

26.0 SERVICE QUALITY MEASURES AND STANDARDS

26.1 Verizon shall provide services, facilities and arrangements under this Agreement in accordance with the performance standards required by Applicable Law, including, but not limited to, Section 251(c) of the Act.

26.2 To the extent required by Appendix D, Section V, "Carrier-to-Carrier Performance Plan (Including Performance Measurements)," and Appendix D, Attachment A, "Carrier-to-Carrier Performance Assurance Plan," of the Merger Order, Verizon shall provide performance measurement results to AT&T.

26.3 AT&T shall provide services, facilities and arrangements under this Agreement in accordance with the performance standards required by Applicable Law.

26.4 Subject to Section 26.5 below, Verizon shall report performance measurement results and make remedy payments, to AT&T, in accordance with Schedule 26.4, attached.

26.5 Notwithstanding any other provision of this Agreement, Section 26.4 and Schedule 26.4 shall automatically terminate and cease to be a part of this Agreement upon the earlier of: (a) the effective date of a carrier-to-carrier service quality performance assurance plan applicable to Verizon that has been required, approved, accepted or allowed to go into effect, by the Commission; or, (b) the effective date of a carrier-to-carrier service quality performance assurance plan applicable to Verizon that has been required, approved, accepted or allowed to go into effect, by the FCC in conjunction with the FCC's approval of a request by Verizon or Verizon's affiliates for authority to provide InterLATA services in Virginia.

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 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 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.

28.0 MISCELLANEOUS

28.1 Authorization

28.1.1 Verizon represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of Virginia and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder.

28.1.2 AT&T represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

28.2 Independent Contractor

Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

28.3 Force Majeure

28.3.1 Neither Party shall be responsible for delays or failures in performance of any part of this Agreement resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: acts of nature, unusually severe weather conditions, riot, sabotage, volcano, military authority, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other acts or occurrences beyond the Party's reasonable control (any of the foregoing, a "Force Majeure Event"). In such event, the nonperforming Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such Party's obligations relate to the performance so interfered with). The non-performing Party shall use commercially reasonable efforts to avoid or remove the cause(s) of non-performance (which, in the case of a Force Majeure Event due to a delay caused by a service or equipment vendor, includes, but is not limited to, retaining replacement vendor(s)) and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease. Notwithstanding the above, in no case shall a Force Majeure Event excuse either Party from the obligation to pay money when due under this Agreement, nor require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

28.3.2 [Intentionally omitted]

28.3.3 The Parties shall cooperate to limit the impact of a Force Majeure Event. Such cooperation shall include taking such actions as agreed in the Joint

Grooming Process and providing notification of a Force Majeure Event, if possible and commercially reasonable.

28.4 Good Faith Performance

In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Except as otherwise expressly stated in this Agreement (including, but not limited to, where consent, approval, agreement or a similar action is stated to be within a Party's sole discretion), where consent, approval, mutual agreement or a similar action is required by any provision of this Agreement, such action shall not be unreasonably withheld, conditioned or delayed.

28.5 Confidentiality

28.5.1 Confidential Information means all information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, furnished or made available by one Party (the "Disclosing Party") to the other Party (the "Receiving Party"): (i) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," (ii) communicated orally and declared to the Receiving Party at the time of delivery, and by written notice given to the Receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary", or (iii) which contains Customer specific, facility specific, or usage specific information, other than Customer information communicated for the purpose of publication or directory database inclusion (any of the foregoing, "Confidential Information"). Each Party shall have the right to correct an inadvertent failure to identify information as Confidential Information pursuant to (i) above by giving written notification to the Receiving Party within ten days after the information is disclosed. The Receiving Party shall, from that time forward, treat such information as Confidential Information.

28.5.2 Verizon shall not use any information provided by AT&T regarding AT&T's customers for any marketing purpose or disclose such information to anyone in a marketing capacity except to the extent permitted by Applicable Law. Each Party shall keep all of the other Party's Confidential Information confidential in the same manner it holds its own Confidential Information confidential (which in all cases shall be no less than in a commercially reasonable manner) and shall use the other Party's Confidential Information only for the purpose of performing under this Agreement. Neither Party shall use the other Party's Confidential Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing or to enforce its rights hereunder (provided that the Party wishing to disclose the other Party's Confidential Information submits the same to the Commission or courts of competent jurisdiction, as applicable, under a request for a protective order). The Receiving Party agrees to restrict disclosure of the Disclosing Party's Confidential Information to the directors, officers, agents, contractors, and employees of the Receiving Party and the Receiving Party's Affiliates having a need to know the Confidential Information for the purpose of performing under this Agreement. If the Receiving Party

wishes to disclose the Disclosing Party's Confidential Information to a third party agent or contractor, such agent or contractor shall be required by the Receiving Party to comply with the provisions of this Section 28.5 in the same manner as the Receiving Party.

28.5.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Confidential Information that:

(a) was, at the time of receipt, already known to the Receiving Party free of any obligation to keep it confidential as evidenced by written records prepared prior to delivery by the Disclosing Party; or

(b) is or becomes publicly known through no wrongful act of or breach of this Agreement by the Receiving Party or the Receiving Party's affiliates, or the directors, officers, agents, employees, or contractors of the Receiving Party or the Receiving Party's affiliates; or

(c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the Disclosing Party with respect to such information; or

(d) is independently developed by an employee, agent, or contractor of the Receiving Party that is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Confidential Information; or

(e) is approved for release by written authorization of the Disclosing Party; or

(f) is required to be made public by the Receiving Party pursuant to any governmental authority or by Applicable Law, provided that the Receiving Party shall have made commercially reasonable efforts to give adequate notice of the requirement prior to the disclosure of the Confidential Information to the Disclosing Party to enable the Disclosing Party to seek protective orders.

28.5.4 In addition to any requirements imposed by Applicable Law, including, but not limited to, 47 U.S.C. § 222, the Parties shall maintain in confidence all Confidential Information for a period of three (3) years from the date of disclosure of such Confidential Information. Each Party's obligations to safeguard Confidential Information disclosed prior to the expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.

28.5.5 All Confidential Information shall remain the property of the Disclosing Party. Following the expiration or termination of this Agreement and upon request by the Disclosing Party, the Receiving Party shall return or destroy within sixty (60) days of such a request, all Confidential Information, whether written, graphic, electromagnetic or otherwise.

28.5.6 Each Party agrees that the Disclosing Party may be irreparably injured by a breach of this Section 28.5 by the Receiving Party, the Receiving Party's Affiliates, or the directors, officers, employees, agents or contractors of the Receiving Party or the Receiving Party's Affiliates, and that the Disclosing Party may be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 28.5.

28.5.7 The provisions of this Section shall not be construed to be in derogation of, or to constitute a waiver by a Party of, any right with regard to protection of the confidentiality of information of the Party or its customers provided by Applicable Law, including but not limited to 47 U.S.C. Section 222 and any FCC Regulations issued pursuant thereto. Each Party will comply fully with its obligations under Applicable Law (i) to protect the confidentiality of CPNI, and (ii) to disclose CPNI to the other Party.

28.6 Choice of Law

The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the United States of America and the laws of the Commonwealth of Virginia, except for its conflicts of laws provisions.

28.7 Taxes

28.7.1 In General. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law to be collected from the purchasing Party by the providing Party, then (i) the providing Party, as a separately stated item on the applicable bill, shall properly bill the purchasing Party for such Tax, (ii) the purchasing Party shall timely remit such Tax to the providing Party and (iii) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

28.7.2 The purchasing Party will provide to the providing Party notice of its intent to pay taxes based on receipts ("Receipts Taxes") on services which it provides to end users which services incorporate, resell or otherwise utilize services provided by the providing Party under this agreement.

28.7.3 Taxes Imposed on Customers. With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") of the purchasing Party in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then the purchasing Party (i) shall be required to impose and/or collect such Tax from the Subscriber and (ii) shall timely remit such Tax to the applicable taxing authority.

28.7.4 If the providing Party has not received an exemption certificate and fails to collect any Tax as required by Subsection 28.7.1, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such

uncollected Tax and (ii) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. Notwithstanding this section 28.7, however, the purchasing Party's liability for uncollected surcharges intended to allow the providing Party to recover tax expense associated with a Receipts Tax imposed upon the providing Party shall not extend beyond the time limitations provided in Section 28.9.2 of this agreement. If the providing Party, in compliance with Applicable Law, properly bills the purchasing Party for a Tax but the purchasing Party fails to remit such Tax to the providing Party as required by Subsection 28.7.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by Subsection 28.7.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by the applicable taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. Except as provided in Subsection 28.7.6, if the purchasing Party fails to pay the Receipts Tax which it has given notice of its intent to pay pursuant to Subsection 28.7.2 then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by Subsection 28.7.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, is responsible for because the purchasing Party received a discount in price on services attributable to related Tax savings by the providing Party, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

28.7.5 Tax Exemptions and Exemption Certificates. If Applicable Law exempts a purchase hereunder from a Tax, and if such Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Subsection 28.7.6. If Applicable Law exempts, or excludes, a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect

such Tax if the purchasing Party (i) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption or exclusion, and citing the provision in the Law which allows such exemption or exclusion, and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax.

28.7.6 If any discount or portion of a discount in price provided to the purchasing Party under this Agreement (including, but not limited to, a wholesale discount provided for in Exhibit A) represents Tax savings to the providing Party which it was assumed the providing Party would receive, because it was anticipated that receipts from sales of services (that would otherwise be subject to a Tax on such receipts) could be excluded from such Tax under Applicable Law, either because the services would be sold (i) for resale or (ii) to a Telecommunications Services provider, and the providing Party is, in fact, required by Applicable Law to pay such Tax on receipts from sales of services to the purchasing Party then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for, and shall indemnify and hold harmless the providing Party against (on an after tax basis), any such Tax and any interest and/or penalty assessed by the applicable taxing authority on either the purchasing Party or the providing Party with respect to the Tax on the providing Party's receipts.

28.7.7 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Subsection 28.7, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Subsection 28.12 as well as to the following:

To Verizon:

Tax Administration
Verizon Network Services, Inc.
1717 Arch Street
30th Floor
Philadelphia, VA 19103

To AT&T:

Tax Vice-President
State and Local Taxes
AT&T Corp.
Room S284
412 Mt. Kemble Avenue
Morristown, New Jersey 07960

Either Party may from time to time designate another address or other addressees by giving notice is accordance with the terms of this Subsection 28.7. Any notice or other communication shall be deemed to be given when received.

28.8 Assignment and Delegation

28.8.1 Neither Party may assign this Agreement or any of its rights or interests hereunder, nor delegate any of its obligations under this Agreement, to a third party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, that either Party may assign this Agreement to an affiliate, with the other Party's prior written consent, upon the provision of reasonable evidence by the proposed assignee that it has the resources, ability, and authority to provide satisfactory performance under this Agreement and that the proposed assignee is in good standing with Verizon or AT&T, as applicable. Any assignment or delegation in violation of this subsection 28.8 shall be void and ineffective and constitute a default of this Agreement. For the purposes of this Section, the term "affiliate" shall mean any entity that controls, is controlled by, or is under common control with the assigning Party.

28.8.2 Transfer of Telephone Operations

28.8.2.1 If Verizon sells, exchanges, swaps, assigns, or transfers ownership or control of all or any portion of Verizon's telephone operations (any such transaction, a "Transfer") to any purchaser, operator or other transferee, Verizon shall provide AT&T with at least 60 days prior written notice of such Transfer. In addition, insofar as such Transfer affects the interests of AT&T pursuant to this Agreement, Verizon shall comply with the requirements of Applicable Law, if any, with respect to such Transfer.

28.9 Billing and Payment; Disputed Amounts

28.9.1 Except as may otherwise be provided in this Agreement, each Party shall submit on a monthly basis an itemized statement of charges incurred by the other Party during the preceding month(s) for services rendered hereunder. Payment of billed amounts under this Agreement, whether billed on a monthly basis or as otherwise provided herein, shall be due, in immediately available U.S. funds, within thirty (30) days of the date of such statement unless the billed Party is able to establish that the bill was not timely received (i.e., at least twenty (20) days prior to the payment date) in which case the payment date shall be twenty (20) calendar days from the receipt of the bill. If such payment date would cause payment to be due on a Saturday, Sunday or Legal Holiday, payment for such bills will be due from the billed Party as follows: (i) if such payment date falls on a Sunday or on a Legal Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Legal Holiday; (ii) if such payment date falls on a Saturday or on a Legal Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Legal Holiday. For purposes of this section,

a "Legal Holiday" is defined as a day other than Saturday or Sunday on which Verizon is normally closed.

28.9.2 Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, the billed Party shall not be entitled to dispute the billing Party's statement(s) based on the billing Party's failure to submit them in a timely fashion. Upon request by either Party, the Parties shall participate in good faith negotiations to establish bill closure procedures unless, at the time of such request, an industry forum has been established to address such requested bill closure, in which event each of the Parties shall participate in such forum.

28.9.3 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amount") and include in such notice the specific details and reasons for disputing each item. Subject to Section 28.9.3.1 below, the Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties. Nothing herein shall limit the time under Applicable Law within which either Party may dispute any bill, it being understood that payment of any amounts under this Section, unless otherwise indicated, does not constitute a waiver of either Party's rights under Applicable Law to contest its obligation to pay any amounts allegedly owed under this Agreement.

28.9.3.1 The Non-Paying Party shall not be required to place a Disputed Amount in escrow, as required by Section 28.9.3 above, if the Non-Paying Party: (a) does not have a proven history of late payments; and (b) has established a minimum of twelve (12) consecutive months good credit history with the Billing Party (prior to the date it notifies the Billing Party of its current billing dispute) (including without limitation and for the avoidance of any doubt, that the Non-Paying Party has not failed to pay any amounts during such twelve (12) month period that were not the subject of a bona fide dispute).

28.9.4 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within sixty (60) days after delivery to the Billing Party of notice of the Disputed Amount, each of the Parties shall appoint a designated representative that has authority to settle the dispute and that is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the

designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

28.9.5 If the Parties are unable to resolve issues related to the Disputed Amount within forty-five (45) days after the Parties' appointment of designated representatives pursuant to Subsection 28.9.4, or if either Party fails to appoint a designated representative within thirty (30) days of the end of the sixty (60) day period referred to Section 28.9.4, then either Party may pursue dispute resolution pursuant to Section 28.11, if applicable, or file a complaint with the Commission to resolve such issues, or proceed with any other remedy pursuant to law or equity.

28.9.6 The Parties agree that all negotiations pursuant to this Subsection 28.9 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

28.9.7 Charges which are not paid by the payment date as set forth in Section 28.9.1 above, bill shall be subject to a late payment charge. The late payment charge shall be an amount specified by the Billing Party which shall not exceed a rate of one and one half percent (1½ %) of the overdue amount (including any unpaid previously billed late payment charges) per month. If the Non-Paying Party disputes charges in accordance with this Section 28.9, and the dispute is finally resolved in favor of such Party, the Billing Party shall credit the account of the Non-Paying Party for the subject amount (including any applicable late payment charges assessed thereon) finally adjudged in its favor and, if the Non-Paying Party in any case paid to the Billing Party some or all of such subject amount (including any applicable late payment charges assessed thereon) finally adjudged in its favor, the Billing Party shall refund such amount to the Non-Paying Party.

28.10 Audits

28.10.1 Except as may be otherwise specifically provided in this Agreement, either Party ("Auditing Party") may audit the other Party's ("Audited Party") books, records, documents, facilities and systems for the purpose of evaluating the accuracy of the Audited Party's bills. Such audits may be performed once in each Calendar Year; provided, however, that audits may be conducted more frequently (but no more frequently than once in each Calendar Quarter) if the immediately preceding audit found previously uncorrected net inaccuracies in billing in favor of the Audited Party having an aggregate value of at least $1,000,000.

28.10.2 Unless otherwise mutually agreed to by the Parties, the audit shall be performed by independent certified public accountants selected and paid by the Auditing Party. The accountants shall be reasonably acceptable to the Audited Party. Prior to commencing the audit, the accountants shall execute an agreement with the Audited Party in a form reasonably acceptable to the Audited Party that protects the confidentiality of the information disclosed by the Audited Party to the accountants. The audit shall take place at a time and place agreed upon by the Parties; provided, that the

Auditing Party may require that the audit commence no later than sixty (60) days after the Auditing Party has given notice of the audit to the Audited Party.

28.10.3 Each Party shall cooperate fully in any such audit, providing reasonable access to any and all employees, books, records, documents, facilities and systems, reasonably necessary to assess the accuracy of the Audited Party's bills.

28.10.4 Audits shall be performed at the Auditing Party's expense, provided that there shall be no charge for reasonable access to the Audited Party's employees, books, records, documents, facilities and systems necessary to assess the accuracy of the Audited Party's bills.

28.11 Dispute Resolution

28.11.1 Alternative to Litigation

Except as provided under Section 252 of the Act with respect to the approval of this Agreement and any amendments thereto by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, the Parties agree to use the following alternative dispute resolution procedures as the remedy with respect to any action, dispute, controversy or claim arising out of or relating to this Agreement or its breach, except with respect to the following:

(1) An action seeking a temporary restraining order or an injunction related to the purposes of this Agreement;

(2) A dispute, controversy or claim relating to or arising out of a change in law or reservation of rights under the provisions of Section 27 of this Agreement;

(3) A suit to compel compliance with this dispute resolution process;

(4) An action concerning the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party;

(5) An action for fraud;

(6) A billing dispute equal to or in excess of $2,000,000.00;

(7) Any rate or charge within the jurisdiction of the Commission or the FCC; and

(8) Any term or condition of the (i) Memorandum Opinion and Order, In the Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp, Transferee, For Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries, 12 F.C.C.R. 19985 (1997) or (ii) Application of GTE Corporation, Transferor and Bell Atlantic Corporation,

Transferor, Memorandum Opinion and Order, CC Docket No. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Order).

(9) Any dispute appropriately before the Commission pursuant to the abbreviated Dispute Resolution Process as established in Case No. 000026, Case No. 000035, or another proceeding before the Commission.

Any such actions, disputes, controversies or claims may be pursued by either Party before any court, commission or agency of competent jurisdiction. Additionally, AT&T hereby waives its rights to submit disputes in accordance with the alternative dispute resolution mediation process implemented by Verizon pursuant to paragraph 40 and Attachment F of the Merger Order.

28.11.2 Negotiations

At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable or admissible, be discovered, or be admitted in evidence, in the arbitration or lawsuit.

28.11.3 Arbitration

Except for those disputes identified in section 28.11.1(1) through 28.11.1(9), if the negotiations do not resolve the dispute within sixty (60) days of the initial written request, the dispute may be submitted by either Party or both Parties (with a copy provided to the other Party) to the Commission for arbitration pursuant to section 252 of the Act. The Commission shall assign the dispute to a single arbitrator selected by the Parties pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), hereinafter referred to as the AAA Rules, to which body the Parties hereby agree to submit the dispute pursuant to the AAA Rules, except that the Parties may select an arbitrator outside AAA Rules upon mutual agreement. Neither Party waives any rights it may otherwise have under Section 252 of the Act by agreeing to allow the Commission to assign the dispute to an arbitrator selected by the Parties. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section, unless otherwise prohibited by the AAA Rules. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of twenty-five (25) (none of which may have subparts) of the following: interrogatories,

demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. The written opinion of the arbitrator shall not be enforceable in any court having jurisdiction over the subject matter until the Commission, pursuant to section 28.11.7 below, has issued an Order adopting or modifying the arbitrator's written opinion.

28.11.4 Expedited Arbitration Procedures

If the issue to be resolved through the negotiations referenced in Section 28.11.2 directly and materially affects service to either Party's end-user Customers or the amount subject to a billing dispute is $2,000,000 or less, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration pursuant to the process outlined in Section 28.11.3 above, the arbitration shall be conducted pursuant to the expedited procedures rules of the AAA Rules (i.e., rules 53 through 57).

28.11.5 Costs

Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitrator.

28.11.6 Continuous Service

The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations, including making payments in accordance with and as required by this Agreement.

28.11.7 Commission Order

28.11.7.1 Within thirty (30) days of the arbitrator's decision, the Parties shall submit that decision to the Commission for review. Each Party shall also submit its position on the arbitrator's decision in a statement not to exceed ten (10) pages as to whether the Party agrees to be bound by it or seeks to challenge it. The Commission shall accept or modify the arbitrator's decision within thirty (30) days of its receipt and issue an Order accordingly pursuant to Section 252 of the Act; provided, however, if the Commission does not issue an Order accepting or modifying the arbitrator's decision within thirty (30) days of its receipt, the arbitrator's decision shall be deemed an Order of the Commission pursuant to Section 252 of the Act. The Order of

the Commission shall become final and binding on the Parties, except as provided in Section 28.11.7.2 below.

28.11.7.2 Either Party may seek timely review of the Commission Order rendered above pursuant to Section 252(e)(6) of the Act. The Parties agree to waive any objection to the federal court's jurisdiction over the subject matter.

28.12 Notices

Except as otherwise provided in this Agreement, notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested, or (d) delivered by telecopy (with a follow up copy promptly sent by first class mail) to the following addresses of the Parties:

To AT&T:

AT&T Corp.
3033 Chain Bridge Road, Suite D325

Oakton, VA 22185
Attn: Regional Vice President

Facsimile: (703) 277-7902

with a copy to:

AT&T Corp.
32 Avenue of the Americas
New York, N.Y. 10013
Attn: Regional V.P. – Law and Government Affairs

Facsimile: (212) 387-5613

To Verizon:

Director - Contract Performance & Administration

Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Facsimile: 972/719-1519
Telephone Number: 972-718-5988

with a copy to:

Vice President and Associate General Counsel – Telecom

1320 N. Court House Road
8th Floor
Arlington, VA 22201
Facsimile: 703/974-0744

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail, or (iv) on the date set forth on the confirmation in the case of telecopy.

28.13 Section 252(i) Obligations

28.13.1 To the extent required by Applicable Law, each Party shall comply with Section 252(i) of the Act and Appendix D, Sections 30 through 32, of the Merger Order ("Merger Order MFN Provisions").

28.13.2 If AT&T wishes to exercise any rights it may have under Section 252(i), AT&T shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with Section 252(i), the Parties shall promptly amend this Agreement in writing ("252 Amendment") to appropriately reflect the Interconnection, services, and Network Elements, that AT&T has elected to adopt pursuant to Section 252(i), provided that AT&T has a right under Section 252(i) to make such adoption as of the date of Verizon's receipt of said notice; provided further that, unless otherwise mutually agreed to by the Parties, the 252 Amendment shall be effective as of the date of Verizon's receipt of effective notice thereof.

28.13.3 If AT&T wishes to exercise any rights it may have under the Merger Order MFN Provisions, AT&T shall provide written notice thereof to Verizon. Upon Verizon's receipt of said notice, in accordance with the Merger Order MFN Provisions, the Parties shall promptly amend this Agreement in writing ("Merger Amendment") to appropriately reflect the interconnection arrangements or unbundled Network Elements, that AT&T has elected to adopt pursuant to the Merger Order MFN Provisions, provided that AT&T has a right under the Merger Order MFN Provisions to make such adoption as of the date of Verizon's receipt of said notice; provided further that, unless otherwise mutually agreed to by the Parties, the Merger Amendment shall be effective as of the date of Verizon's receipt of effective notice thereof.

28.14 Joint Work Product

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

28.15 No Third Party Beneficiaries; Disclaimer of Agency

This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, expressed or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

28.16 No Licenses

28.16.1 Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trade mark, service mark, trade secret, or any other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.

28.16.2 Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.

28.16.3 NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EACH PARTY OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT, INCLUDING ANY RIGHT OF THE PARTIES TO THIS AGREEMENT.

28.16.4 AT&T acknowledges that services and facilities to be provided by Verizon hereunder may use or incorporate products, services or information proprietary to third party vendors and may be subject to third party intellectual property

rights. In the event that proprietary rights restrictions in agreements with such third party vendors do not permit Verizon to provide to AT&T, without additional actions or costs, particular unbundled Network Element(s) otherwise required to be made available to AT&T under this Agreement, then, as may be required by Applicable Law:

a) Verizon agrees to notify AT&T, directly or through a third party, of such restrictions that extend beyond restrictions otherwise imposed under this Agreement or applicable Tariff restrictions ("Ancillary Restrictions"); and

b) Verizon shall use its best efforts, as commercially practical, to procure rights or licenses to allow Verizon to provide to AT&T the particular unbundled Network Element(s), on terms comparable to terms provided to Verizon, directly or on behalf of AT&T ("Additional Rights/Licenses"). Costs associated with the procurement of Additional Rights/Licenses shall be passed through to AT&T as permitted under Applicable Law. In the event that Verizon, after using its best efforts, is unable to procure a right or license for AT&T, Verizon will promptly notify AT&T of the specific facilities or equipment (including software) that it is unable to provide pursuant to the license, as well as any and all related facilities or equipment; the extent to which it asserts AT&T's use has exceeded (or will exceed) the scope of the license; and the specific circumstances that prevented it from obtaining the revised provisions.

28.17 Technology Upgrades

Notwithstanding any other provision of this Agreement, except as may be prohibited or conditioned under Applicable Law, each Party shall have the right to deploy, upgrade, migrate and maintain its network at its discretion including without limitation through the incorporation of new equipment and/or new software. For the avoidance of any doubt, Verizon's obligations with respect to OSS under the Change Management Process are not implicated in this Section and accordingly are unaffected by this Section.

28.18 Survival

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement (including, without limitation, the obligation to pay amounts owed hereunder (to include indemnification obligations) and the obligation to protect the other Party's Confidential or Proprietary Information) shall survive the termination or expiration of this Agreement.

28.19 Entire Agreement

The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that relate to the subject

matter of this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications unless the document otherwise comports with Section 28.21.

28.20 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

28.21 Modification, Amendment, Supplement, or Waiver

No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options.

28.22 Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns.

28.23 Publicity and Use of Trademarks or Service Marks

Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent provided, however, that nothing herein shall be deemed to preclude either Party from engaging in lawful comparative advertising.

28.24 [Intentionally omitted]

28.25 CLEC Certification

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as AT&T has obtained a Certificate of Public Convenience and Necessity (CPCN) or such other Commission authorization as may be required by law as a condition for conducting business in Virginia as a local exchange carrier.

28.26 Severability

If any provision of this Agreement shall be invalid or unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if

the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.

28.27 Subcontracting

If any obligation under this Agreement is performed through a subcontractor, the subcontracting Party shall remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations it performs through the subcontractor. The subcontracting Party shall be solely responsible for payments due its subcontractors. Except as may be specifically set forth in this Agreement, no subcontractor shall be deemed a third party beneficiary for any purposes under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

AT&T COMMUNICATIONS	VERIZON VIRGINIA, INC. OF VIRGINIA, INC.
By:_____	By:_____
Printed: Bruce W. Cooper	Printed: Jeffrey Masoner
Title: Regional Vice President	Title: Vice President, Wholesale Markets