HUNTON & WILLIAMS

RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219-4074

TEL 804 • 788 • 8200
FAX 804 • 788 • 8218

RICHARD D. GARY
DIRECT DIAL: 804-788-8330
EMAIL: rgary@hunton.com

DOCKET FILE COPY ORIGINAL

FILE NO: 46001.000278

RECEIVED
NOV 21 2001
FCC MAIL ROOM

November 21, 2001

Via UPS-Next Day

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

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

Dear Ms. Salas:

Enclosed please find four copies of Verizon Virginia Inc.'s Proposed Interconnection Agreement with WorldCom's subsidiary in Virginia, MCI Metro Access Transmission Services of Virginia, Inc. Please do not hesitate to call me with any questions.

Sincerely,

Richard D. Gary
Counsel for Verizon

Enclosures

cc: Dorothy T. Attwood, Chief, Common Carrier Bureau (8 copies) (Via UPS-Next Day - Attn: John Stanley)
Jeffery Dygert (w/o enclosure) (by mail)
Katherine Farroba (w/o encl.) (by mail)
John Stanley (w/o encl.) (by mail)

No. of Copies rec'd 0+3
List A B C D E

HUNTON & WILLIAMS

With enclosures, via UPS-Next Day Delivery:
Jodie L. Kelley, counsel for WorldCom
Kimberly Wild, counsel for WorldCom
David Levy, counsel for AT&T
Mark A. Keffer, counsel for AT&T
J.G. Harrington, counsel for Cox
Carrington F. Phillip, counsel for Cox

RECEIVED
NOV 21 2001
FCC MAIL ROOM

[Verizon Note: This Agreement contains only Verizon's requested contract language. As such, this Agreement does not contain any MCIm requested contract language with which Verizon does not agree (one would look to the MCIm filed contract for such language). It is Verizon's understanding that Verizon's requested contract language in plain text has been agreed upon by the Parties. It is Verizon's understanding that Verizon's requested contract language in **bold text** has not been agreed upon by the Parties. To aid in the Parties' and the FCC Staff's use of this document, Verizon has attempted to reference which contract language is associated with particular issues, both open and resolved, but such references may be incomplete (e.g., for those contractual provisions that are associated with multiple issues, Verizon may not have noted each such issue).]

AGREEMENT

Effective as of [DATE]

by and between

MCI METRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

and

VERIZON VIRGINIA INC.

FOR THE COMMONWEALTH OF

VIRGINIA

TABLE OF CONTENTS

PART A 1

1. The Agreement 1
2. Term and Termination 2
3. Intentionally Left Blank 3
4. Applicable Law 3
5. Assignment 4
6. Assurance of Payment 4
7. Audits 5
8. Intentionally Left Blank 7
9. Billing and Payment; Disputed Amounts 7
10. Confidentiality 9
11. Counterparts 12
12. Default 13
13. Discontinuance of Service by MCIm 14
14. Dispute Resolution 14
15. Force Majeure 17
16. Intentionally Left Blank 18
17. Fraud 18
18. Good Faith Performance 18
19. Headings Not Controlling 19
20. Indemnification 19
21. Insurance 21
22. Intellectual Property 22
23. Joint Work Product 23
24. Law Enforcement 23
25. Liability 23
26. Network Management 24

27. Intentionally Left Blank 25

28. Notice of Network Changes 25

29. Notices 25

30. Intentionally Left Blank 27

31. Service Quality Measures and Standards 27

32. Point of Contact for MCIm Customers/Identification of Services 27

33. Intentionally Left Blank 30

34. Publicity and Use of Trademarks or Service Marks 30

35. References 30

36. Relationship of the Parties 30

37. Reservation of Rights 31

38. Subcontractors 31

39. Successors and Assigns 32

40. Survival 32

41. Taxes 32

42. Technology Upgrades 34

43. Territory 35

44. Third Party Beneficiaries 35

45. Waiver 35

46. Warranties 36

PART B 38

1. General Rule 38

2. Definitions 38

PART C 52

ADDITIONAL SERVICES ATTACHMENT 52

1. Alternate Billed Calls 52

2. Dialing Parity - Section 251(b)(3) 52

3. Directory Assistance (DA) and Operator Services 52

4. Directory Listing and Directory Distribution 52

5. Information Services Traffic 55

6. Intercept Treatment and Transfer of Service Announcements 55

7. Intentionally Left Blank 55

8. Operations Support Systems (OSS) 56

9. Poles, Ducts, Conduits and Rights-of-Way 62

10. Telephone Numbers 62

INTERCONNECTION ATTACHMENT 64

1. Intentionally Left Blank 64

2. Points of Interconnection (POI) and Trunk Types 64

3. Alternative Interconnection Arrangements 69

4. Initiating Interconnection 71

5. Transmission and Routing of Telephone Exchange Service Traffic 71

6. Traffic Measurement and Billing over Interconnection Trunks 72

7. Reciprocal Compensation Arrangements – Pursuant to Section 251(b)(5) of the Act73

8. Transmission and Routing of Exchange Access Traffic 79

9. Meet-Point Billing Arrangements 80

10. Toll Free Service Access Code (e.g., 800/888/877) Traffic 83

11. Tandem Transit Traffic 85

12. Intentionally Left Blank 86

13. Joint Network Implementation and Grooming Process; and Installation, Maintenance, Testing and Repair 86

14. Number Portability - Section 251(B)(2) 88

RESALE ATTACHMENT 92

1. General 92

2. Use of Verizon Telecommunications Services 92

3. Availability of Verizon Telecommunications Services 93

4. Customer of Record/Responsibility for Charges 94

5. Operations Matters 94

NETWORK ELEMENTS ATTACHMENT 96

1. General 96

2. Verizon's Provision of UNEs 97

3. Loop Transmission Types 98

4. Line Sharing 104

5. Sub-Loop 110

6. Inside Wire 113

7. Dark Fiber 115

8. Network Interface Device 117

9. Unbundled Switching Elements 119

10. Unbundled Interoffice Facilities 124

11. Signaling Networks and Call-Related Databases 125

12. Operations Support Systems 136

13. Network Element Bona Fide Request (BFR) 136

14. Cooperative Testing 138

15. Maintenance of UNEs. 138

16. Rates and Charges 138

17. Combinations 138

COLLOCATION ATTACHMENT 140

1. Verizon's Provision of Collocation 140

2. MCIm's Provision of Collocation 140

3. Additional Provisions Regarding Physical Security, Information Security, etc..... 140

PART C 142

911 ATTACHMENT 142

1. 911/E-911 Arrangements 142

2. Electronic Interface 142

3. 911 Interconnection 143

4. 911 Facilities 143

5. Local Number Portability for use with 911 143

6. PSAP Coordination 144

7. 911 Compensation 144

8. 911 Rules and Regulations 144

9. 911/E911 Outages 144

PRICING ATTACHMENT 145

1. General 145

2. Intentionally Left Blank 145

3. MCIm Prices 145

4. Section 271 145

5. Regulatory Review of Prices 146

AGREEMENT

PART A

This Agreement ("Agreement") is effective as of [DATE] (the "Effective Date"), between MCImetro Access Transmission Services of Virginia, Inc. ("MCIm"), a corporation organized under the laws of the Commonwealth of Virginia, with offices at 8521 Leesburg Pike, Vienna, Virginia and Verizon Virginia, Inc. ("Verizon"), a corporation organized under the laws of the Commonwealth of Virginia with offices at [INSERT].

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, Verizon and MCIm hereby agree as follows:

[Issue IV-83, resolved]

1. The Agreement

1.1 This Agreement, consisting of Parts A, B and C, specifies the rights and obligations of each Party with respect to the purchase and sale of local Interconnection, local Resale, unbundled Network Elements and related services. This Part A sets forth the general terms and conditions governing this Agreement. Capitalized terms used in this Agreement shall have the meanings defined in Part B -- DEFINITIONS, or as otherwise elsewhere defined throughout this Agreement. Part C sets forth, among other things, descriptions of the services, pricing, technical and business requirements, and physical and network security requirements.

LIST OF ATTACHMENTS COMPRISING PART C:

Additional Services Attachment
Interconnection Attachment
Resale Attachment
Unbundled Network Elements (UNEs) Attachment
Collocation Attachment
911 Attachment
Pricing Attachment
Appendix A to the Pricing Attachment **[Note: To Be Inserted At Conclusion of Arbitration]**
Schedule 34.1 -- Performance Measurements

[Issues 1V-84, IV-85, III-18, partially open]

1.2 The Parties acknowledge that some of the services, facilities and arrangements provided pursuant to this Agreement are or will be available under and subject to the terms of the federal or state Tariffs of the Party providing them. To the extent that a Tariff of a Party applies to any service, facility or arrangement provided pursuant to this Agreement, the following shall apply: **Conflicts among provisions in this Agreement, Tariffs, and an order by a Party which has been accepted by the other Party, shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) this Agreement; (b) the Tariffs; and, (c) an order by a Party that has been accepted by the other Party.** This Agreement and any applicable Tariffs of either Party shall be construed whenever possible to avoid any conflict between them. The fact that a provision appears in this Agreement but not in a Tariff, or in a Tariff but not in this Agreement, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2. **Subject to the requirements of Applicable Law, a Party**

shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party.

[Issues IV-87, IV-102, IV-114 resolved]

1.3. This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation on the subject matter hereof. Except as otherwise provided in this Agreement, the terms in this Agreement may not be waived or modified except by a written document which is signed by the Parties. The Parties intend that any services requested by either Party relating to the subject matter of this Agreement that are not offered hereunder will be incorporated into this Agreement by amendment upon agreement by the Parties.

[Issue IV-86, resolved]

1.4 Except as otherwise provided in this Agreement, this Agreement does not prevent a purchasing Party from using the services provided pursuant to this Agreement in connection with other technically compatible services provided pursuant to this Agreement or with any services provided by the purchasing Party or a third party; provided, however, that unless otherwise provided herein, interconnection services, call transport and termination services, and unbundled Network Elements shall be available under the terms and conditions (including prices) set forth in this Agreement and shall be used by the purchasing Party solely for purposes consistent with obligations set forth in the Act and any rules, regulations or orders thereunder.

[Issue 1-10, resolved]

2. Term and Termination

2.1 This Agreement shall be effective as of the Effective Date and, unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect until [DATE THREE YEARS AFTER EFFECTIVE DATE] (the "Initial Term"). Thereafter, this Agreement shall continue in force and effect unless and until cancelled or terminated as provided in this Agreement.

2.2 Either MCIm 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.

2.3 If either MCIm or Verizon provides notice of termination pursuant to Section 2.2 and on or before the proposed date of termination either MCIm 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 12), this Agreement shall remain in effect until the effective date of a new interconnection agreement between MCIm and Verizon.

2.4 If either MCIm or Verizon provides notice of termination pursuant to Section 2.2 and by 11:59 PM Eastern Time on the proposed date of termination neither MCIm 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 Services 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 Services continue to be provided pursuant to an applicable Tariff or Commission-approved statement of generally available terms (SGAT).

3. Intentionally Left Blank

4. Applicable Law

[Issue IV-105, resolved]

4.1 The validity of this Agreement, the construction and enforcement of its terms, and the interpretation of the rights and duties of the Parties, shall be governed by the Act and the laws of the Commonwealth of Virginia, without regard to its conflicts of laws rules.

[Issue IV-96, resolved]

4.2 Each Party shall perform terms, conditions and operations under this Agreement in a manner that complies with all Applicable Law, including all regulations and judicial or regulatory decisions of all duly constituted governmental authorities of competent jurisdiction. Each Party shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other in obtaining and maintaining any approvals required by this Section. In the event the Act or FCC rules and regulations applicable to this Agreement are held invalid, this Agreement shall survive, subject to Sections 4.3 through 4.6, below.

[Issue IV-122, resolved]

4.3 If any term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not invalidate the entire Agreement (unless such construction would be unreasonable), and the Agreement shall be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each Party construed and enforced accordingly.

4.4 Intentionally Left Blank

[Issue IV-113, open]

4.5 Subject to the terms of Section 4.6, in the event the Commission or the Virginia Commission promulgates rules or regulations, or issues orders, or a court of competent jurisdiction issues orders, which make unlawful any provision of this Agreement, or which materially alter the obligation(s) to provide services or the services themselves embodied in this Agreement, then the Parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which conform to such rules, regulations or orders. In the event the Parties cannot agree on an amendment within thirty (30) days after the date any such rules, regulations or orders become effective, then the Parties shall resolve their dispute under the applicable procedures set forth in Section 14 (Dispute Resolution Procedures) hereof.

4.6 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 MCIm hereunder, then, unless otherwise agreed to in writing by the Parties, 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 forty-five (45) days prior written notice to MCIm 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. Upon receipt of such notice from Verizon, MCIm may, at its option, petition the Commission or the FCC for review of the discontinuance of Service.

[Issue IV-117, resolved]

4.7 Except as otherwise expressly stated in this Agreement, each Party, at its own expense, shall be responsible for obtaining from governmental authorities, property owners, other Telecommunications Carriers, and any other persons or entities, all rights and privileges (including, but not limited to, Rights of Way, space and power), which are necessary for the Party to provide its services pursuant to this Agreement.

[Issue IV-88, resolved]

5. Assignment

Any assignment or delegation by either Party to any non-affiliated entity (or to any Affiliate with respect to which the exception set forth in the immediately following sentence does not apply) of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void (except the assignment of a right to moneys due or to become due). Either Party may assign or delegate this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate so long as neither such assigning/delegating Party nor the Affiliate is in default of any payment obligation to the other Party (and, for the avoidance of any doubt, a bona fide good faith billing dispute does not constitute a payment default). A Party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate (as contemplated by the immediately preceding sentence) shall provide written notice to the other Party. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement.

[Issue VI-1(N), open]

6. Assurance of Payment

6.1 **Upon request by Verizon, MCIm shall provide to Verizon adequate assurance of payment of amounts due (or to become due) to Verizon hereunder.**

6.2 **Assurance of payment of charges may be requested by Verizon if MCIm (a) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, does not have established credit with Verizon, (b) in Verizon's reasonable judgment, at the Effective Date or at any time thereafter, is unable to demonstrate that it is creditworthy, (c) fails to timely pay a bill rendered to MCIm by Verizon, or (d) admits its inability to pay its debts as such debts become due, has commenced a voluntary case (or has had a**

case commenced against it) under the U.S. Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.

6.3 **Unless otherwise agreed by the Parties, the assurance of payment shall, at Verizon's option, consist of (a) a cash security deposit in U.S. dollars held by Verizon or (b) an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon. The cash security deposit or letter of credit shall be in an amount equal to two (2) months anticipated charges (including, but not limited to, both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to MCIm in connection with this Agreement.**

6.4 **To the extent that Verizon elects to require a cash deposit, the Parties intend that the provision of such deposit shall constitute the grant of a security interest in the deposit pursuant to Article 9 of the Uniform Commercial Code as in effect in any relevant jurisdiction.**

6.5 **If payment of interest on a cash deposit is required by an applicable Verizon Tariff or by Applicable Law, interest will be paid on any such cash deposit held by Verizon at the higher of the interest rate stated in such Tariff or the interest rate required by Applicable Law.**

6.6 **Verizon may (but is not obligated to) draw on the letter of credit or cash deposit, as applicable, upon notice to MCIm in respect of any amounts to be paid by MCIm hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.**

6.7 **If Verizon draws on the letter of credit or cash deposit, upon request by Verizon, MCIm shall provide a replacement or supplemental letter of credit or cash deposit conforming to the requirements of Section 6.2.**

6.8 **Notwithstanding anything else set forth in this Agreement, if Verizon makes a request for assurance of payment in accordance with the terms of this Section, then Verizon shall have no obligation thereafter to perform under this Agreement until such time as MCIm has provided Verizon with such assurance of payment.**

6.9 **The fact that a deposit or a letter of credit is requested by Verizon hereunder shall in no way relieve MCIm from compliance with the requirements of this Agreement (including, but not limited to, any applicable Tariffs) as to advance payments and payment for Services, nor constitute a waiver or modification of the terms herein pertaining to the discontinuance of Services for nonpayment of any amounts payment of which is required by this Agreement.**

[Issue IV-89, resolved]

7. Audits

7.1 As applicable consistent with the provision of the relevant services or functions by a Party under this Agreement, each Party may audit the other Party's books, records and documents for the purpose of evaluating the accuracy of the other Party's bills and performance reports rendered under this Agreement. Such audits may be performed no more than a total of four (4) times in a calendar year nor more often than once every nine (9) months for a specific subject matter area; provided, that particular subject matter audits may be conducted more frequently (but no more frequently than once in each calendar quarter) if the immediately prior audit for such area found previously uncorrected net inaccuracies or errors in billing or performance reporting in favor of the audited Party having an aggregate value of at least five percent (5%) of the amounts payable by the auditing Party, or statistics reportable by the audited Party, relating to services provided by the audited Party during the period covered by the audit.

7.2 In addition to the audits described in Section 7.1, each Party may audit the other Party's books, records and documents for the purpose of evaluating compliance with CPNI where the audited Party has access to CPNI in the custody of the auditing Party pursuant to this Agreement. Such CPNI audits must be performed in a minimally disruptive fashion, and an audited Party may bring objections to the Commission, if audits are unnecessarily intrusive and the Parties cannot resolve their disputes. Such CPNI audits may not be performed more frequently than annually; provided, however, that the frequency of CPNI audits may be increased to quarterly if violations of a Party's CPNI obligations exceeds five percent (5%) of the audit sample.

7.3 The auditing Party may employ other persons or firms for this purpose. Such audit shall take place at a time and place agreed on 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 other Party.

7.4 The audited Party shall promptly correct any error that is revealed in a billing audit, including back-billing of any underpayments and making a refund, in the form of a billing credit, of any over-payments. Such back-billing and refund shall appear on the audited Party's bill no later than the bill for the third full billing cycle after the Parties have agreed upon the accuracy of the audit results.

7.5 Each Party shall cooperate fully in any audits required hereunder, providing reasonable access to any and all employees, books, records and documents, reasonably necessary to assess the accuracy of the audited Party's bills or performance reports, or compliance with CPNI obligations, as appropriate.

7.6 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 and documents necessary to conduct the audits provided for hereunder.

7.7 Books, records, documents, and other information, disclosed by the audited Party to the auditing Party or the Auditing Party's employees, agents or contractors in an audit under this Section 7, shall be deemed to be Confidential Information under Section 10.

7.8 This Section 7 shall survive expiration or termination of this Agreement for a period of two (2) years after expiration or termination of this Agreement.

8. **Intentionally Left Blank**

9. **Billing and Payment; Disputed Amounts**

[Issue IV-74, open]

9.1 **Standard Billing**

9.1.1 The providing Party will bill services in accordance with this Section 9 and at the rates set forth in the Pricing Attachment. Consistent with the results of the operational trial described below, the providing Party will use commercially reasonable efforts to provide accurate and auditable electronic bills for wholesale services and to format its electronic bills in accordance with national industry standard specifications, as appropriate subject to Verizon's published Differences List.. As part of an operations trial for the state of Virginia beginning on or prior to the Effective Date of this Agreement, subject to MCIm's conversion to Express Track, and continuing until such time as Verizon designates through Change Management, the BOS-BDT as available for election as the Bill of Record in Virginal, Verizon agrees to provide MCIm with a BOS-BDT formatted electronic bill at no charge for UNE-P services and Network Elements provided under this Agreement. During the duration of this trial, the BOS-BDT bill will serve as the instrument from which MCIm will audit and pay for UNE-P services and Network Elements provided under this Agreement, including the handling of billing disputes. MCIm and Verizon agree to work together to identify and correct errors in the content and format of the BOS-BDT bill format and to share the information necessary to ensure that the final product (*i.e.*, a BOS-BDT formatted bill) is complete, accurate, and meets OBF standards subject to Verizon's published Differences List. Verizon agrees to make the BOS-BDT formatted bill the bill of record for MCIm, at the same time Verizon designates the BOS-BDT as available for election as the bill of record in Virginia through Change Management.. Verizon will jurisdictionalize charges in the BOS-BDT bills to the extent reasonably possible.

9.1.2 The providing Party will bill the purchasing Party on a monthly basis under this Agreement. These monthly bills will include all appropriate charges, credits and adjustments for the services that were ordered, established, utilized, discontinued or performed during the relevant billing period.

9.1.3 The providing Party and the purchasing Party will work jointly to establish billing dates ("Bill Date") for each purchasing Party account within the state. The providing Party will include the Bill Date on each invoice transmitted to the purchasing Party. The providing Party will transmit all invoices within ten (10) business days after the Bill Date. Any invoice transmitted on a Saturday, Sunday or a day designated as a holiday by the Parties' bill processing departments will be deemed transmitted on the next business day. Except as otherwise provided in this Agreement, payment of amounts billed for Services provided under this Agreement, whether billed on a monthly basis or as otherwise provided in this Agreement, shall be due, in immediately available

U.S. funds, thirty (30) calendar days after the Bill Date (the "payment due date"). If the providing Party fails to transmit an invoice within the time period specified above, the payment due date for that invoice will be extended by the number of days it is late.

9.1.4 The providing Party will use the same account identification numbers each month, unless it provides the purchasing Party with ten (10) days advance written notice of any change. If either Party requests an additional copy(ies) of a bill, such Party shall pay the other Party a reasonable fee per additional bill copy, unless such copy was requested due to an error or omission of the providing Party.

9.1.5 Except as otherwise specified in this Agreement or provided for under Applicable Law, each Party shall be responsible for (i) all costs and expenses it incurs in complying with its obligations under this Agreement; and (ii) the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.

9.1.6 The providing Party and purchasing Party will identify a contact person for the handling of any questions or problems that may arise during the implementation and performance of the billing for services under this Attachment.

9.2 Collocation Billing

Verizon agrees to provide USOC information that will allow MCIm to identify nonrecurring costs associated with building collocation "cages" incurred under this Agreement. Verizon will identify the Collocation nonrecurring costs in the OCC section of the Collocation bill with specific USOCs.

[Issue IV-90, resolved]

9.3 Billing Disputes

9.3.1 If a billing dispute arises concerning any charges billed pursuant to this Agreement by a providing Party to a purchasing Party, payments withheld or paid pending settlement of the dispute shall be subject to interest at the rate set forth in Verizon's interstate access tariff.

9.3.2 If the purchasing Party pays the bill in full by the payment due date and later initiates a billing dispute pursuant to Section 9.3, interest will apply as follows:

9.3.2.1 If the billing dispute is resolved in favor of the purchasing Party, the purchasing Party shall receive a credit from the providing Party. This credit will be an amount equal to the disputed amount, plus interest at the rate set forth in Verizon's interstate access tariff. This amount will apply from the date of the purchasing Party's payment through the date on which the purchasing Party receives

payment of the disputed amount and accrued interest from the providing Party.

9.3.2.2 If the dispute is resolved in favor of the providing Party, neither a late payment charge nor an interest charge is applicable.

9.3.3 If the purchasing Party withholds payment on the bill (in full or in part) and initiates a billing dispute pursuant to Section 9.3, interest will apply as follows:

9.3.3.1 If the billing dispute is resolved in favor of the providing Party, the purchasing Party shall pay the providing Party a payment equal to the amount withheld by the purchasing Party, plus interest at the rate set forth in Verizon's interstate access tariff. This amount will apply from the payment due date through the date on which the providing Party receives payment of the disputed amount and accrued interest from the purchasing Party.

9.3.3.2 If the dispute is resolved in favor of the purchasing Party, neither a late payment charge nor an interest charge is applicable.

[Issue IV-97, Resolved Except For Sections 10.13 and 10.14 On Monitoring Use of CPNI]

10. Confidentiality

10.1 For the purposes of this Section 10, "Confidential Information" means the following information disclosed by one Party ("Discloser") to the other Party ("Recipient") in connection with this Agreement:

10.1.1 All information disclosed by either Party to the other pursuant to the Attachments of this Agreement arising from the performance of this Agreement, including, but not limited to, books, records, documents and other information disclosed in an audit performed pursuant to this Agreement; and

10.1.2 Such other information as is identified as Confidential Information in accordance with Section 10.2.

10.2 All information which is to be treated as Confidential Information under Section 10.1.2 shall:

10.2.1 If in written, graphic, electromagnetic, or other tangible form, be marked as "Confidential Information"; and

10.2.2 If oral, (i) be identified by the Discloser at the time of disclosure to be "Confidential Information", and (ii) be set forth in a written summary which identifies the information as "Confidential Information" and is delivered by the Discloser to the Recipient within ten (10) days after the oral disclosure.

10.2.3 Each Party shall have the right to correct an inadvertent failure to identify

such oral information as Confidential Information by giving written notification within thirty (30) days after the information is disclosed. The Recipient shall, from that time forward, treat such information as Confidential Information.

10.3 In addition to any requirements imposed by law, including, but not limited to, 47 U.S.C. § 222, for a period of three (3) years from the receipt of Confidential Information from the Discloser, except as otherwise specified in this Agreement, the Recipient agrees:

10.3.1 To use the Confidential Information only for the purpose of performing under this Agreement, including, to the extent applicable, the planning and operation of the Recipient's network;

10.3.2 To use the same degree of care that it uses with similar confidential information of its own, to hold the Confidential Information in confidence and to disclose it to no one other than the directors, officers and employees of the Recipient and the Recipient's Affiliates, having a need to know the Confidential Information for the purpose of performing under this Agreement;

[Issue IV-98 (i.e., Section 10.3.3), resolved]

10.3.3 Except as may be permitted under Section 222 of the Act (with respect to Confidential Information that is subject to Section 222) or as otherwise required by Applicable Law, Verizon will not disclose MCIm's Confidential Information to, or permit access to MCIm's Confidential Information by, the retail operations or any employee thereof, or the retail customer representatives of Verizon or any Verizon Affiliate, or any independent contractors to any of the foregoing, and Verizon and any Verizon Affiliate shall take all actions necessary to ensure that any such retail operations and any employees thereof, their respective retail customer representatives, and any independent contractors of any of the foregoing, cannot access MCIm's Confidential Information.

10.4 A Recipient may disclose the Discloser's Confidential Information to a third party agent or consultant, provided that prior to such disclosure the agent or consultant has executed a written agreement of non-disclosure and non-use comparable in scope to the terms of this Section 10.

10.5 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations and exercise its rights under this Agreement. All such copies shall bear the same copyright and proprietary rights notices as are contained on the original.

10.6 The Recipient shall return all Confidential Information defined in Section 10.1.2 in the format in which it was received from the Discloser, including any copies made by the Recipient, within thirty (30) days after a written request is delivered to the Recipient, and/or destroy all such Confidential Information, except for Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement. If the Recipient loses or makes an unauthorized disclosure of the Discloser's Confidential Information, it shall notify the Discloser immediately and use reasonable efforts to retrieve the lost or improperly disclosed information.

10.7 The requirements of this Section 10 shall not apply to Confidential Information:

10.7.1 Which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser;

10.7.2 After it becomes publicly known or available through no breach of this Agreement by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, agents, or contractors, of the Recipient or the Recipient's Affiliates;

10.7.3 After it is rightfully acquired by the Recipient free of restrictions on its disclosure;

10.7.4 Which is independently developed by personnel of the Recipient; or

10.7.5 To the extent the disclosure is required by law, or made to a court, or governmental agency for the purpose of enforcing its rights under this Agreement; provided the Discloser has been notified of an intended disclosure promptly after the Recipient becomes aware of a required disclosure or decides to make such a voluntary disclosure to enforce its rights, the Recipient undertakes reasonable, lawful measures to avoid disclosing the Confidential Information until the Discloser has had reasonable time to seek a protective order, and the Recipient complies with any protective order that covers the Confidential Information to be disclosed.

10.8 Each Party's obligations to safeguard Confidential Information disclosed prior to expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.

10.9 Confidential Information shall remain the property of the Discloser, and the Discloser shall retain all of the Discloser's right, title and interest in any Confidential Information disclosed by the Discloser to the Recipient. Except as otherwise expressly provided elsewhere in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark, or copyright), nor is any such license to be implied, solely by virtue of the disclosure of any Confidential Information.

10.10 Each Party agrees that the Discloser would be irreparably injured by a breach of this Section 10 by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, agents or contractors of the Recipient or the Recipient's Affiliates, and that the Discloser shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 10. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 10, but shall be in addition to any other remedies available at law or in equity.

10.11 The provisions of this Section 10 shall be in addition to and shall not limit, alter, define or contradict any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to protection of the confidentiality of information (whether or not defined as "Confidential Information" for purposes of this Agreement) of the Party or its customers provided by Applicable Law.

10.12 Without in any way limiting the foregoing provisions of Section 10, each Party shall comply with 47 U.S.C. § 222, any implementing rules, regulations, and orders thereunder, and other federal and state rules and regulations addressing

Customer Proprietary Network Information ("CPNI") and Carrier Information. A Party shall not access (including, but not limited to, through electronic interfaces and gateways provided under this Agreement), use or disclose CPNI or other customer information unless the Party has obtained any customer authorization required by Applicable Law for such access, use and/or disclosure. By accessing, using or disclosing CPNI or other customer information, a Party represents and warrants that the Party has obtained any customer authorization required by Applicable Law for such access, use or disclosure. A Party accessing, using or disclosing CPNI or other customer information shall upon request by the other Party provide proof of any customer authorization for such access, use or disclosure, required by Applicable Law (including, copies of any written authorization). Without limiting the foregoing provisions of this Section 10, where required by 47 U.S.C. § 222, or other provision of Applicable Law, a Party shall obtain a signed letter of authorization from the applicable end user in order to obtain CPNI or other customer information from the other Party.

10.13 **Each Party ("Auditing Party") shall have the right to audit the other Party ("Audited Party"), to ascertain whether the Audited Party is complying with the requirements of Applicable Law and this Agreement with regard to the Audited Party's access to, and use and disclosure of, CPNI and other customer information, which is made available by the Auditing Party to the Audited Party under this Agreement. Any audit conducted under this Section 10.13 shall be conducted in accordance with Section 7, "Audits". Any information disclosed by the Audited party to the Auditing Party or the Auditing Party's employees, Agents or contractors, in an audit conducted under this Section 10.13 shall be considered to be Confidential Information under this Section 10.**

10.14 **To the extent permitted by Applicable Law, each Party ("Auditing Party") shall have the right to monitor the access of the other Party ("Audited Party") to CPNI and other customer information which is made available by the Auditing Party to the Audited Party under this Agreement, to ascertain whether the Audited Party is complying with the requirements of Applicable Law and this Agreement with regard to the Audited Party's access to, and use and disclosure of, such CPNI and other customer information. To the extent permitted by Applicable Law, the foregoing right shall include, but not be limited to, the right to electronically monitor the Audited Party's access to and use of CPNI and other customer information which is made available by the Auditing Party to the Audited Party under this Agreement through electronic interfaces or gateways, to ascertain whether the Audited Party is complying with the requirements of Applicable Law and this Agreement with regard to the Audited Party's access to, and use and disclosure of, such CPNI and other customer information.**

10.15 Nothing herein shall be construed as limiting the rights of either Party with respect to its own subscriber information under any Applicable Law, including without limitation Section 222 of the Act.

11. 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.

[Issue VI-1(O), open – Verizon has set forth two alternative versions below – the first being

the original provisions offered to MCIm, the second being the provisions to which Verizon and AT&T have agreed that Verizon offered to MCIm]

12. Default

If either Party ("Defaulting Party") fails to make a payment required by this Agreement (including, but not limited to, any payment required by Section 9.3 of undisputed amounts to the billing Party) or materially breaches any other material provision of this Agreement, and such failure or breach continues for thirty (30) days after written notice thereof from the other Party, the other Party may, by written notice to the Defaulting Party, (a) suspend the provision of any or all Services hereunder, or (b) cancel this Agreement and terminate the provision of all Services hereunder.

[Verizon Note: MCIm, at its option, alternatively, may choose the following default provisions, to which Verizon and AT&T have agreed.]

12.1 If either Party defaults in the payment of any amount due hereunder, except for amounts subject to a bona fide dispute pursuant to Section 9.3 hereof with respect to which the disputing party has complied with the requirements of Section 9.3 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.

12.2 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 9.3 shall apply) and the dispute resolution process identified in Section 14 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 14; (b) the breaching Party complies with and completes the process identified in Section 14 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 14 (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.

[Issue VI-1(P), open]

13. Discontinuance of Service by MCIm

13.1 **If MCIm proposes to discontinue, or actually discontinues, its provision of service to all or substantially all of its Customers, whether voluntarily, as a result of bankruptcy, or for any other reason, MCIm shall send written notice of such discontinuance to Verizon, the Commission, and each of MCIm's Customers. MCIm shall provide such notice such number of days in advance of discontinuance of its service as shall be required by Applicable Law. Unless the period for advance notice of discontinuance of service required by Applicable Law is more than thirty (30) days, to the extent commercially feasible, MCIm shall send such notice at least thirty (30) days prior to its discontinuance of service.**

13.2 **Such notice must advise each MCIm Customer that unless action is taken by the MCIm Customer to switch to a different carrier prior to MCIm's proposed discontinuance of service, the MCIm Customer will be without the service provided by MCIm to the MCIm Customer.**

13.3 **Should an MCIm Customer subsequently become a Verizon Customer, MCIm shall provide Verizon with all information necessary for Verizon to establish service for the MCIm Customer, including, but not limited to, the MCIm Customer's billed name, listed name, service address, and billing address, and the services being provided to the MCIm Customer.**

13.4 **Nothing in this Section 13 shall limit Verizon's right to cancel or terminate this Agreement or suspend provision of Services under this Agreement.**

14. Dispute Resolution

[Issue IV-100, resolved]

14.1 In the event the Commission retains continuing jurisdiction to implement and enforce the terms and conditions of this Agreement, the Parties agree that any dispute arising out of or relating to this Agreement that the Parties themselves cannot resolve, may be submitted to the Commission for resolution. The Parties agree to seek expedited resolution by the Commission, pursuant to applicable procedures established by the Commission. During the Commission proceeding, each Party shall continue to perform its obligations under this Agreement; provided, however that neither Party shall be required to act in any unlawful fashion. This provision shall not preclude the Parties from seeking any relief (at law or in equity) available in any other forum.

[Issue IV-101, closed except for two sentences in bold (one at the end of the introductory portion of Section 14.2 and one at the end of Section 14.2.2); if MCIm does not accept these two highlighted sentences, then Verizon will not agree to ADR, in which case only Section 14.1 – to which the Parties have agreed – would apply.]

14.2 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 a final and binding 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 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, trade name, 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;

(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) A dispute, controversy or claim relating to or arising out of the tax provisions of this Agreement; and

(10) 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, MCIm hereby waives its rights to submit disputes in accordance with the alternative dispute resolution process implemented by Verizon pursuant to paragraph 40 and Attachment F of the Merger Order.**

14.2.1 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.

14.2.2 Arbitration

Except for those disputes identified in Section 14.2 (1) through Section 14.2 (10), 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") in effect on the date of commencement of the arbitration, as modified by this Agreement, hereinafter referred to as the AAA Rules. The Parties may select an arbitrator outside AAA's roster of arbitrators upon mutual agreement prior to AAA's appointment of an arbitrator. 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 but limited 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 or as determined by the arbitrator. 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, including Findings of Fact and Conclusions of Law. The arbitrator shall have no power to add or detract from this Agreement of the Parties and may not make any ruling or award that does not conform to the terms and conditions of this Agreement. The arbitrator may award whatever remedies at law or in equity the arbitrator deems appropriate. 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 14.2.6 below, has issued an Order adopting or modifying the arbitrator's written opinion.**

14.2.3 Expedited Arbitration Procedures

If the issue to be resolved through the negotiations referenced in Section 14.2.1 directly and materially affects service to either Party's end-user Customers or the amount subject to a billing dispute is $200,000 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 14.2.2 above, the arbitration shall be conducted pursuant to the expedited procedures rules of the AAA Rules in effect on the date of commencement of the arbitration.

14.2.4 Costs

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

14.2.5 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.

14.2.6 Commission Order

14.2.6.1 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 14.2.6.2 below.

14.2.6.2 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.

[Issue VI-2(B), resolved]

15. Force Majeure

15.1 Except as otherwise specifically provided in this Agreement (including, by way of illustration, circumstances where a Party is required to implement disaster recovery plans to avoid delays or failure in performance and the implementation of such plans was designed to avoid the delay or failure in performance), neither Party shall be liable for any delay or failure in performance of any part of this Agreement by it caused by acts or failures to act of the United States of America or any state, district, territory, political subdivision, or other governmental entity, acts of God or a public enemy, strikes, labor slowdowns, or other labor disputes, but only to the extent that such strikes, labor slowdowns, or other labor disputes also affect the performing Party, fires, explosions, floods, embargoes, earthquakes, volcanic actions, unusually severe weather conditions, wars, civil disturbances, or other causes beyond the reasonable control of the Party

claiming excusable delay or other failure to perform ("Force Majeure Condition"). In the event of any such excused delay in the performance of a Party's obligation(s) under this Agreement, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of the delay. In the event of such delay, the delaying Party shall perform its obligations at a performance level no less than that which it uses for its own operations. In the event of such performance delay or failure by Verizon, Verizon agrees to resume performance at Parity and in a Non-Discriminatory manner.

15.2 If any Force Majeure Condition occurs, the Party whose performance fails or is delayed because of such Force Majeure Condition shall give prompt notice to the other Party, and upon cessation of such Force Majeure Condition, shall give like notice and commence performance hereunder as promptly as reasonably practicable.

15.3 Notwithstanding Section 15.1, no delay or other failure by a Party to perform shall be excused pursuant to this Section by the delay or failure of a Party's subcontractors, materialmen, or suppliers to provide products or services to the Party, unless such delay or failure is itself the product of a Force Majeure Condition, and such products or services cannot be obtained by the Party from other persons on commercially reasonable terms.

16. Intentionally Left Blank

[Issue IV-45, mostly open]

17. Fraud

17.1 The Parties will work cooperatively in a commercially reasonable manner to minimize fraud associated with third number billed calls, calling card calls, and other services related to this Agreement.

17.2 Each Party shall make available to the other fraud prevention features, including prevention, detection, or control functionality, that may be embedded within any of the Network Elements in accordance with applicable Tariffs or as otherwise mutually agreed; such functionalities including 900 NPA and international blocking offered to business Customers and aggregators.

17.3 Except as may otherwise be required under Applicable Law, each Party assumes responsibility for all fraud associated with its Customers and accounts.

18. Good Faith Performance

[Issue IV-104, resolved]

18.1 In the performance of their obligations under this Agreement, the Parties shall cooperate fully and act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement), such action shall not be unreasonably delayed, withheld or conditioned.

[Issue IV-112, resolved]

18.2 The Parties shall promptly submit this Agreement, and any amendment or modification hereof, to the Commission for approval in accordance with Section 252 of the Act. Following such submission, the Parties shall submit the Agreement to any other applicable governmental entity for any requisite approvals. In the event any governmental authority or agency rejects any provision hereof, the Parties shall negotiate promptly and in good faith such revisions as may reasonably be required to achieve approval.

[Issue IV-115, resolved]

18.3 When this Agreement is filed with the Commission for approval, the Parties will request that the Commission: (a) approve the Agreement, and (b) refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement.

18.4 Each Party shall be responsible for obtaining and keeping in effect all FCC, Commission, franchise authority and other governmental approvals, that may be required in connection with the performance of its respective obligations under this Agreement.

19. Headings Not Controlling

The headings of Attachments and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

[Issue IV-106, open]

20. Indemnification

20.1 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.

20.2 Nothing in Section 20 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.

20.3 An Indemnifying Party's obligation to indemnify, defend and hold harmless the Indemnified Party as provided in this Section 20 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 20. However, the failure to give such notice shall release the Indemnifying Party

from its obligations under this Section 20 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.

20.4 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.

20.5 In addition to its other obligations under this Section 20, 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 (a) 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 (b) Consequential Damages.

20.6 Notwithstanding any other provision of this Agreement, with respect to Verizon's provision of Line Sharing to MCIm 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.

[Issue-VI-1(Q), open]

21. Insurance

21.1 **MCIm shall maintain during the term of this Agreement and for a period of two years thereafter all insurance and/or bonds required to satisfy its obligations under this Agreement (including, but not limited to, its obligations set forth in Section 20 hereof) and all insurance and/or bonds required by Applicable Law. The insurance and/or bonds shall be obtained from an insurer having an A.M. Best insurance rating of at least A-, financial size category VII or greater. At a minimum and without limiting the foregoing undertaking, MCIm shall maintain the following insurance:**

21.1.1 **Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed operations, contractual liability, independent contractors, and personal injury, with limits of at least $2,000,000 combined single limit for each occurrence.**

21.1.2 **Motor Vehicle Liability, Comprehensive Form, covering all owned, hired and non-owned vehicles, with limits of at least $2,000,000 combined single limit for each occurrence.**

21.1.3 **Excess Liability, in the umbrella form, with limits of at least $10,000,000 combined single limit for each occurrence.**

21.1.4 **Worker's Compensation Insurance as required by Applicable Law and Employer's Liability Insurance with limits of not less than $2,000,000 per occurrence.**

21.1.5 **All risk property insurance on a full replacement cost basis for all of MCIm's real and personal property located at any Collocation site or otherwise located on or in any Verizon premises (whether owned, leased or otherwise occupied by Verizon), facility, equipment or right-of-way.**

21.2 **Any deductibles, self-insured retentions or loss limits ("Retentions") for the foregoing insurance must be disclosed on the certificates of insurance to be provided to Verizon pursuant to Sections 21.4 and 21.5, and Verizon reserves the right to reject any such Retentions in its reasonable discretion. All Retentions shall be the responsibility of MCIm.**

21.3 **MCIm shall name Verizon, Verizon's Affiliates and the directors, officers and employees of Verizon and Verizon's Affiliates, as additional insureds on the foregoing insurance.**

21.4 **MCIm shall, within two (2) weeks of the Effective Date hereof, on a semi-annual basis thereafter, and at such other times as Verizon may reasonably specify, furnish certificates or other proof of the foregoing insurance reasonably acceptable to Verizon. The certificates or other proof of the foregoing insurance shall be sent to: Director –Interconnection Services, Verizon Wholesale Markets, 1095 Avenue of the Americas, Room 1423, New York, NY 10036.**

21.5 **MCIm shall require its contractors, if any, that may enter upon the premises or access the facilities or equipment of Verizon or Verizon's affiliated companies to maintain insurance in accordance with Sections 21.1 through 21.3 and, if requested, to furnish Verizon certificates or other adequate proof of such insurance acceptable to Verizon in accordance with Section 21.4.**

21.6 **If MCIm or MCIm's contractors fail to maintain insurance as required in Sections 21.1 through 21.5, above, Verizon may purchase such insurance and MCIm shall reimburse Verizon for the cost of the insurance.**

21.7 **Certificates furnished by MCIm or MCIm's contractors shall contain a clause stating: "Verizon Virginia Inc. shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."**

21.8 MCIm may satisfy the foregoing obligations through self-insurance if and, to the extent that, it has a net worth of not less than one hundred million U.S. Dollars ($100,000,000.00).

[Issues III-15 and IV-107, open]

22. Intellectual Property

22.1 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.

22.2 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.

22.3 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.

22.4 MCIm 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 MCIm, without additional actions or costs, particular unbundled Network Element(s) otherwise required to be made available to MCIm under this Agreement, then, as may be required by Applicable Law:

(a) Verizon agrees to notify MCIm, 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 MCIm the particular unbundled Network Element(s), on terms comparable to terms provided to Verizon, directly or on behalf of MCIm ("Additional Rights/Licenses"). Costs associated with the procurement of Additional Rights/Licenses shall be passed through to MCIm as permitted under Applicable Law. In the event that Verizon, after using its best efforts, is unable to procure a right or license for MCIm, Verizon will promptly notify MCIm 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 MCIm's use has exceeded (or will exceed) the scope of the license; and the specific circumstances that prevented it from obtaining the revised provisions.

[Issue IV-109, resolved]

23. Joint Work Product

This Agreement is the joint work product of the representatives of the Parties. For convenience, this Agreement has been drafted in final form by one of the Parties. Accordingly, in the event of ambiguities, no inferences shall be drawn against either Party solely on the basis of authorship of this Agreement.

[Issue No. IV-46, resolved]

24. Law Enforcement

Each Party may cooperate with law enforcement authorities and national security authorities to the full extent required or permitted by Applicable Law in matters related to Services provided by it under this Agreement, including, but not limited to, the production of records, the establishment of new lines or the installation of new services on an existing line in order to support law enforcement and/or national security operations, and, the installation of wiretaps, trap-and-trace facilities and equipment, and dialed number recording facilities and equipment. In addition, each Party shall provide reasonable assistance to the other Party, to the extent permitted by Applicable Law, in connection with the foregoing, and with respect to emergency traces on and information retrieval from Customer invoked CLASS services.

25. Liability

[Issue VI-2(A), resolved]

25.1 Neither Party shall be liable to the other for any indirect, incidental, special or consequential damages arising out of or related to this Agreement or the provision of service hereunder. Notwithstanding the foregoing limitation, a Party's liability shall not be limited by the provisions of this Section 25 in the event of its willful or intentional misconduct, including gross negligence. Verizon shall be liable to MCIm for lost revenues resulting from Verizon's breach of this Agreement only to the same extent that Verizon's Tariffs provide liability for Verizon end user subscribers' revenue losses. A Party's liability shall not be limited with respect to its indemnification obligations.

[Issue IV-103, resolved]

25.2 Responsibility for Environmental Contamination

25.2.1 MCIm shall in no event be liable to Verizon for any costs whatsoever resulting from a violation of a federal, state or local environmental law by Verizon, its contractors or agents arising out of this Agreement (a "Verizon Environmental Violation"). Verizon shall, at MCIm's request, indemnify, defend, and hold harmless MCIm, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys fees) that are caused by a Verizon Environmental Violation.

25.2.2 Verizon shall in no event be liable to MCIm for any costs whatsoever resulting from a violation of a federal, state or local environmental law by MCIm, its contractors or agents arising out of this Agreement (an "MCIm Environmental Violation"). MCIm shall, at Verizon's request, indemnify, defend, and hold harmless Verizon, each of its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys fees) that are caused by an MCIm Environmental Violation.

25.2.3 In the event any suspect materials within Verizon-owned, operated or leased facilities are identified to be asbestos-containing, MCIm will ensure that to the extent any activities which it undertakes in the facility disturb such suspect materials, such MCIm activities will be in accordance with applicable local, state and federal environmental and health and safety statutes and regulations. Except for abatement activities undertaken by MCIm or equipment placement activities that result in the generation or placement of asbestos containing material, MCIm shall not have any responsibility for managing, nor be the owner of, not have any liability for, or in connection with, any asbestos containing material at Verizon-owned, operated or leased facilities. Verizon agrees to immediately notify MCIm if Verizon undertakes any asbestos control or asbestos abatement activities that potentially could affect MCIm equipment or operations, including, but not limited to, contamination of equipment.

[Issue IV-10, resolved]

26. Network Management

26.1 Protective Protocols

Either Party may use protective network traffic management controls such as 3, 7, and 10 digit network controls on traffic toward each other's network, when required to protect the public switched network from congestion due to facility failures, Switch congestion or failure, or focused overload. MCIm and Verizon shall promptly notify each other of any significant protective control action executed.

26.2 Expansive Protocols

Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. MCIm and Verizon shall promptly notify each other of any significant protective control action executed.

26.3 Mass Calling

Per ATIS (Alliance of Telecommunications Industry Standards) guidelines, MCIm and Verizon shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

26.4 High Volume Calling Trunk Groups

The Parties will cooperate to establish separate trunk groups for the completion of calls to high volume customers, such as radio contest lines.

27. Intentionally Left Blank

[Issue IV-111, resolved]

28. Notice of Network Changes

Verizon shall make any notification of changes to the underlying Verizon services in conformance with the requirements of Section 251(c)(5), Notice of Changes, of the Act, and the FCC's rules and regulations.

29. Notices

29.1 Except as otherwise provided in this Agreement, notices given by one Party to the other Party under this Agreement:

29.1.1 shall be in writing;

29.1.2 shall be delivered (a) personally, (b) by express delivery service with next business day delivery, (c) by First Class, certified or registered U.S. mail, postage prepaid, (d) by facsimile telecopy, with a copy delivered in accordance with (a), (b) or (c), preceding, or, (e) by electronic mail, with a copy delivered in accordance with (a), (b) or (c), preceding; and

29.1.3 shall be delivered to the following addresses of the Parties: