

APPENDIX 3 to NIM: INTERCARRIER COMPENSATION

- 1.1 For purposes of compensation under this Agreement, the telecommunications traffic traded between CLEC and ILEC will be classified as either Local Traffic, ISP-Bound Traffic, Transit Traffic, ESP Traffic, Optional EAS Traffic, IntraLATA Interexchange Traffic, InterLATA Interexchange Traffic, FX Traffic, FGA Traffic, Cellular Traffic, and Meet Point Billing/FGD Traffic. The Parties agree that, notwithstanding the classification of traffic under this Agreement, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users.
 - 1.1.1 ILEC and CLEC shall establish one or more separate trunk groups for traffic routed from CLEC to ILEC that CLEC classifies as ESP Traffic (ESP Traffic Trunk).
 - 1.1.2 CLEC shall not pass traffic over an ESP Traffic Trunk unless the traffic qualifies as ESP Traffic.
- 1.2 Calls originated by CLEC's end users and terminated to ILEC' end users (or vice versa) will be classified as "Local Traffic" under this Agreement if: (i) the calls both originates and terminates to such end users in the same ILEC exchange area; or (ii) the calls both originates and terminates to such end users within different ILEC Exchanges that share a common mandatory local calling area or within an ILEC exchange and an independent ILEC exchange that share a common mandatory local calling area, as defined in ILEC' tariff, e.g., mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other like types of mandatory expanded local calling scopes. For the purpose of reciprocal compensation, a call to an Internet Service Provider is classified as "Local Traffic" if it meets either requirement in (i) or (ii). Calls originated by ILEC' end users and terminated to an ISP served by a CLEC (or vice versa) will be classified as compensable "ISP-Bound Traffic" in accordance with the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April 27, 2001) (FCC ISP Compensation Order) if the call (i) originates from end users and terminates to an ISP in the same ILEC exchange area; or (ii) originates from end users and terminates to an ISP within different ILEC exchanges or within an ILEC exchange and an independent ILEC exchange that share common mandatory local calling area, as defined in ILEC' tariff, e.g., mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other like types of mandatory expanded local calling scopes.
 - 1.2.1 A call placed by an ILEC end user to a 500 number assigned to CLEC shall be compensated according to the ESP Traffic provisions of this Agreement if the call qualifies as ESP Traffic, specifically, a call from an ILEC end user to a CLEC 500 number qualifies as telephone exchange service when (1) the call is routed to a called end user located in the same local calling area as the ILEC end user or (2) the call is routed through the POP of CLEC's ESP customer located in the same local calling area as the ILEC end user and meets the other requirements for ESP Traffic set forth herein. This type of call shall be deemed a type of ESP Traffic and is not subject to access or access treatment or application of a tariff by either party.
 - 1.2.2 A call placed by an ILEC end user to a 500 number assigned to CLEC shall be compensated according to ILEC' access tariff if the call is an interexchange call that does not qualify as ESP Traffic, FX traffic, or Optional EAS traffic.

- 1.2.3 A call placed by an ILEC end user to a 500 number assigned to CLEC that does not fall within section 1.2.1 or 1.2.2 shall be compensated as Local Traffic, FX traffic, Optional EAS traffic, or Transit Traffic, as applicable.
- 1.2.4 Jointly provided access service to a third-party IXC that subscribes to CLEC's 500 number service shall be compensated in accordance with §§ 6.0 – 6.7 herein.
- 1.2.5 FTA § 251(c)(2)(A) requires an ILEC to interconnect its facilities with those of any requesting telecommunications carrier "for the transmission and routing of telephone exchange service and exchange access." As CLEC's 500 service qualifies under FTA § 251(c)(2)(A), AT&T is obligated to load translations and route all of CLEC's 500 numbers over the traffic trunk groups described in 1.2.1 through 1.2.4 above as part of its interconnection duties. CLEC's services are telephone exchange under 1.2.1 and 1.2.3 and are jointly provided exchange access under 1.2.2 and 1.2.4 above.
- 1.2.6 For traffic that qualifies as ESP Traffic, CPN provided by either party shall not be used for rating or billing of such traffic.
- 1.2.7 Audits
 - 1.2.7.1 ILEC may initiate an audit to determine whether the traffic classified by CLEC as ESP Traffic actually qualifies as ESP Traffic under the terms of this Agreement (ESP Traffic Audit).
 - 1.2.7.2 An ESP Traffic Audit shall be conducted by an independent, third party entity (Auditor).
 - 1.2.7.3 ILEC may initiate no more than one ESP Traffic Audit per year.
 - 1.2.7.4 Each Party shall bear its own costs for an ESP Traffic Audit. If, however, an ESP Traffic Audit determines that more than 10% of the traffic classified by CLEC as ESP Traffic does not qualify as ESP Traffic, then CLEC shall reimburse ILEC's reasonable costs for that ESP Traffic Audit.
 - 1.2.7.5 If CLEC fails to establish that an ESP Customer qualifies as a provider of enhanced services as defined by FCC Rule 64.702(a), then traffic routed to or from that customer shall not be considered ESP Traffic.
 - 1.2.7.6 If CLEC fails to establish that traffic passed over an ESP Traffic Trunk qualifies as ESP Traffic, then that traffic shall not be considered ESP Traffic.
 - 1.2.7.7 CLEC shall provide the Auditor with:
 - a. the physical address, where available, and V&H coordinates for each ESP customer's POP through which ESP Traffic is routed;
 - b. reasonable access to CLEC's premises;
 - c. information establishing whether a physical connection exists between CLEC and an ESP customer's POP;
 - d. information regarding the services provided by a CLEC ESP customer; and
 - e. any other information reasonably requested by the Auditor to determine whether the traffic qualifies as ESP Traffic.

1.2.7.8 If an ESP Traffic Audit determines that traffic classified by CLEC as ESP Traffic does not qualify as ESP Traffic, then CLEC must compensate ILEC for that traffic according to the ICA's compensation provisions for the applicable traffic type.

1.2.7.8.1 CLEC shall also pay ILEC interest on the difference between the amount originally paid by CLEC and the amount due according to the ICA's compensation provisions for the applicable traffic type. The interest shall be accrued from the original bill due date until the appropriate amount is paid. The interest rate shall be the lesser of (i) the rate used to compute the late payment charge in the ILEC intrastate access services tariff and (ii) the highest rate of interest that may be charged under Applicable Law.

1.2.7.9 The Parties and the Auditor shall ensure that confidential information is protected consistent with Applicable Law.

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1.3.1 Where there is preexisting traffic exchanged between the Parties, if this Agreement does not change the intercarrier compensation arrangements or changes the intercarrier compensation arrangements without requiring system modifications, the applicable intercarrier compensation arrangement under this Agreement will commence for such traffic on the date this Agreement becomes effective.

1.3.2 If the traffic types on an existing trunk in Texas between ILEC and CLEC are changed as a result of this Agreement or the changes in the intercarrier compensation arrangements as a result of this Agreement require system modifications, the applicable intercarrier compensation obligations pursuant to this Appendix Intercarrier Compensation will commence for such traffic upon the date the first commercial call is terminated pursuant to this Agreement between the Parties on such trunks. The Parties will notify each other of the date when the first commercial call of a type of call covered by this Section is terminated after the change has been effectuated. The Parties agree that test traffic is not subject to compensation pursuant to this Appendix Intercarrier Compensation.

1.3.3 If the Parties are not currently exchanging traffic in a given LATA or Local Calling Area, the intercarrier compensation obligations pursuant to this Appendix Intercarrier Compensation will commence for such traffic upon the date the first commercial call is terminated between the Parties in such LATA or Local Calling Area. The Parties will notify each other of the date when the first commercial call of a type of call covered by this Section is terminated. The Parties agree that test traffic is not subject to compensation pursuant to this Appendix Intercarrier Compensation.

1.3.4 ESP Traffic exchanged between the Parties shall be compensated pursuant to the election made by the CLEC pursuant to Section 1.5 of this Attachment.

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1.4.2 Pursuant to the Texas Commission Arbitration Award in Docket 24015, the transport and termination compensation for Virtual FX, Dedicated FX, and FX-type Traffic will be "Bill and Keep."

Foreign Exchange (FX) services are retail service offerings purchased by FX customers which allow such FX customers to obtain exchange service from a mandatory local calling area other than

the mandatory local calling area where the FX customer is physically located. FX service enables particular end-user customers to avoid what might otherwise be toll calls between the FX customer's physical location and customers in the foreign exchange. There are two types of FX service:

- 1.4.2.1 "Dedicated FX Traffic" shall mean those calls routed by means of a physical, dedicated circuit delivering dial tone or otherwise serving an end user's station from a serving Central Office (also known as End Office) located outside of that station's mandatory local calling area. Dedicated FX Service permits the end user physically located in one exchange to be assigned telephone numbers resident in the serving Central (or End) Office in another, "foreign," exchange, thereby creating a local presence in that "foreign" exchange.
- 1.4.2.2 "Virtual Foreign Exchange (FX) Traffic" and "FX-type Traffic" shall refer to those calls delivered to telephone numbers that are rated as local to the other telephone numbers in a given mandatory local calling area, but where the recipient end user's station assigned that telephone number is physically located outside of that mandatory local calling area. Virtual FX Service also permits an end user physically located in one exchange to be assigned telephone numbers resident in the serving Central (or End) Office in another, foreign," exchange, thereby creating a local presence in the "foreign" exchange. Virtual FX Service differs from Dedicated FX Service, however, in that Virtual FX end users continue to draw dial tone or are otherwise served from a Central (or End) Office which may provide service across more than one Commission-prescribed mandatory local calling area, whereas Dedicated FX Service end users draw dial tone or are otherwise served from a Central (or End) Office located outside their mandatory calling area.
- 1.4.3 "FX Telephone Numbers" (also known as "NPA-NXX" codes) shall be those telephone numbers with different rating and routing points relative to a given mandatory local calling area. FX Telephone Numbers that deliver second dial tone and the ability for the calling party to enter access codes and an additional recipient telephone number remain classified as Feature Group A (FGA) calls, and are subject to the originating and terminating carrier's tariffed Switched Exchange Access rates (also known as "Meet Point Billed" compensation), or if jointly provisioned FGA service, subject to the terms and conditions of Appendix FGA.
- 1.4.4 The Terminating Carrier shall be responsible for not billing any minutes of use on its network that are "Virtual FX Traffic," "FX-type Traffic," or "Dedicated FX Service" as defined herein. To the extent minutes of use are nevertheless billed and paid by the originating carrier, but later found to be Virtual FX, Dedicated FX, or FX-type Traffic that should have been subject to Bill and Keep, the terminating carrier will be responsible for reimbursing the originating carrier the amount of compensation paid, plus interest at the interest rate referenced in the General Terms & Conditions of this Agreement.
- 1.4.5 In order to ensure that Virtual FX, Dedicated FX, and FX-type Traffic is being properly segregated from other types of intercarrier traffic, the terminating carrier will be responsible for keeping a written record of all FX Telephone Numbers (whether Dedicated, Virtual, and FX-type) for which bill and keep applies and providing an NXX level summary of the minutes of use to FX Telephone Numbers on its network to the originating carrier each month (or in each applicable billing period, if not billed monthly).

- 1.4.6 Each Party shall maintain reports, records and data relevant to the billing of such FX services addressed herein for a period of not less than twenty-four (24) months after creation thereof, unless a longer period is required by Applicable Law.
- 1.4.7 Alternatively, CLEC may elect to assign a Percentage of FX Usage (PFX) which shall represent the estimated percentage of minutes of use that is attributable to all Dedicated FX, Virtual FX, and FX-type Traffic in a given usage month. Once the CLEC elects this method to estimate the percentage of minutes of use that is attributable to FX traffic, Section 9.1 no longer applies, until and unless the Parties mutually agree to segregate and track such traffic at an NXX level summary. If the Parties can not reach agreement on the appropriate FX Factor, the Parties shall engage in the dispute resolution process set forth in this Agreement. During the dispute resolution process, disputed amounts for FX Traffic will remain unpaid by the Party billed and are not subject to interest during the pendency of such Intercarrier Compensation dispute.
 - 1.4.7.1 The PFX must be agreed upon in writing prior to the usage month (or other applicable billing period) in which the PFX is to apply and may only be adjusted once each quarter. The Parties may agree to use traffic studies, retail sales of Dedicated FX lines, or any other agreed method of estimating the FX traffic to be assigned the PFX.
- 1.5 With respect to CLEC's rights and obligations concerning CLEC and ILEC termination of wireline traffic, the Parties agree to compensate each other for the transport and termination of all Traffic not categorized as Meet Point FGD, or FGA, or Transit or FX or OES at \$.0007 per minute of use.
- 2.0 Responsibilities of the Parties
 - 2.1 Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved. For all traffic including, without limitation, Interexchange circuit-switched Traffic, IP traffic, ESP Traffic, and wireless traffic, each Party shall provide Calling Party Number ("CPN") as defined in 47 C.F.R. § 64.1600(c) ("CPN"). In addition, each Party agrees that it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN. CPN shall, at a minimum, include information that accurately reflects the physical location of the end user that originated and/or dialed the call, when including such information is technically feasible and be a Signaling System 7 "SS7" parameter whereby the telephone number (a NANP ten-digit number) of the calling Party is forwarded from the End Office. If either Party identifies improper, incorrect, or fraudulent use of local exchange services (including, but not limited to PRI, ISDN, and/or Smart Trunks), or identifies stripped, altered, modified, added, deleted, changed, and/or incorrectly assigned CPN, the Parties agree to cooperate with one another to investigate and take corrective action. For traffic that qualifies as ESP Traffic, CPN provided by either Party shall not be used for rating or billing of such traffic.
 - 2.2 Each Party will include in the information transmitted to the other for each call being terminated on the other's network (where technically available to the transmitting party), the originating Calling Party Number (CPN).
 - 2.3 For traffic other than ESP Traffic that is delivered by one Party to be terminated on the other Party's network, if the percentage of such calls passed with CPN is greater than ninety percent (90%), all calls delivered by one Party to the other for termination without CPN will be billed as either Local Traffic or IntraLATA Toll Traffic in direct proportion to the total MOUs of calls delivered by one Party to the other with CPN. For traffic other than ESP Traffic that is delivered

by one Party to be terminated on the other Party's network, if the percentage of calls passed with CPN is less than 90%, all calls delivered by one Party to the other without CPN will be billed as Intrastate IntraLATA Toll Traffic..

- 2.4 Where one Party is passing CPN but the other Party is not properly receiving information, the Parties will cooperatively work to correct the problem.
- 2.5 CLEC has the sole obligation to enter into intercarrier compensation arrangements with third party telecommunications carriers regarding CLEC's traffic and such other carriers' traffic, including without limitation any where CLEC originates traffic to or terminates traffic from an end user being served by a third party telecommunications carrier who has purchased any combination of Network Elements from ILEC on a wholesale basis to such telecommunications carrier, and by which such telecommunications carrier uses it to offer to end users wireline local telephone exchange service. In no event will ILEC have any liability to CLEC or any third party if CLEC fails to enter into such compensation arrangements. In the event that traffic is exchanged with a third party carrier with whom CLEC does not have a traffic compensation agreement, CLEC will indemnify, defend and hold harmless ILEC against any and all losses including without limitation, charges levied by such third party carrier. The third party carrier and CLEC will bill their respective charges directly to each other. ILEC will not be required to function as a billing intermediary, e.g., clearinghouse. ILEC may provide information regarding such traffic to other telecommunications carriers or entities as appropriate to resolve traffic compensation issues.

When a call is terminated to a CLEC using an end office switch port purchased on a wholesale basis from ILEC, ILEC will provide terminating billing records including the OCN of the originating carrier to the terminating CLEC for all calls terminated on the wholesale end office switch port to allow the terminating CLEC to directly bill reciprocal compensation to the originating carrier.

Where CLEC is using terminating recordings to bill reciprocal compensation, ILEC will provide detailed calls records to identify wholesale end office switch originating traffic including the OCN of the originating carrier to the originating and terminating carriers, and the terminating CLEC will bill the originating wholesale end office switch carrier for MOUs terminated on CLEC's network. The terminating carrier may obtain billing records identifying the originating carrier from ILEC upon execution of a Non-Disclosure Agreement.

3.0 Other Telecommunications Traffic

- 3.1 The Parties recognize and agree that ISP, ESP, and Internet traffic could also be traded outside of the applicable local calling scope, or routed in ways that could make the rates and rate structure in Options 1, 2, and/or 3 above not apply, including but not limited to ISP calls that fit the definitions of:

- Optional Calling Area Traffic
- IntraLATA Interexchange Traffic
- InterLATA Interexchange Traffic
- 800, 888, 877, ("8YY") Traffic
- Feature Group A Traffic
- Feature Group D Traffic (including traffic to both geographic NPA-NXX and to a 5yy number)

- FX Traffic
- Transit Traffic

3.2 The Parties agree that, for the purposes of this Attachment, either Party's end users remain free to place ISP or ESP calls on a "Non-Local" basis under any of the above classifications. Notwithstanding anything to the contrary herein, to the extent such "non-Local" ISP or ESP calls are placed, the Parties agree that the \$0.0007 rate above does not apply, and that the Agreement's rates, terms and conditions for Optional Calling Area Traffic, "8YY" Traffic, Feature Group A Traffic, Feature Group D Traffic, FX Traffic, IntraLATA and/or InterLATA Traffic, whichever is applicable, shall apply.

4.0 Transit Traffic Compensation

4.1.1 ILEC will provide CLEC with ILEC' Transit Service to deliver Local, Optional EAS and intraLATA toll traffic to all Third Party Carriers with whom ILEC is interconnected. ILEC' Transit Service is a service provided to carriers, that are interconnected with ILEC, for the transmission of Local Traffic, ISP-Bound Traffic, (collectively "Local Transit Traffic"), Optional EAS traffic and/or IntraLATA Interexchange Traffic ("IntraLATA Toll Transit Traffic") as defined in Sections 4.2, 4.2.1, 4.2.2 and 4.2.3 below.

4.1.2 CLEC will provide ILEC with CLEC's Transit Service to deliver Local, Optional EAS and intraLATA toll traffic to all Third Party Carriers with whom CLEC is interconnected. CLEC's Transit Service is a service provided to carriers, that are interconnected with CLEC, for the transmission of Local Traffic, ISP-Bound Traffic, (collectively "Local Transit Traffic"), Optional EAS traffic and/or IntraLATA Interexchange Traffic ("IntraLATA Toll Transit Traffic") as defined in Sections 4.2, 4.2.1, 4.2.2 and 4.2.3 below.

4.1.3 At no time shall either Party provide transit service to an Interexchange Carrier (IXC) or any other Third Party Carrier for the purposes of avoiding paying appropriate access charges.

4.2 For the purposes of this Agreement, Transit Traffic is defined as traffic between CLEC's end users and a Third Party Carrier's end user (e.g. Competitive Local Exchange Carriers, Incumbent Local Exchange Carriers, or Commercial Mobile Radio Service providers) that is routed utilizing an ILEC tandem switch where an ILEC end user is neither the originating nor the terminating party; or as traffic between ILEC end users and a Third Party Carrier's end user (e.g. Competitive Local Exchange Carriers, Incumbent Local Exchange Carriers, or Commercial Mobile Radio Service providers) that is routed utilizing a CLEC tandem switch where an CLEC end user is neither the originating nor the terminating party.

4.2.1 Local Transit Traffic is defined as Transit Traffic between CLEC's local end users and the local end users of a Third Party Carrier originated and terminated within the same mandatory local calling area; or as Transit Traffic between ILEC' local end users and the local end users of a Third Party Carrier originated and terminated within the same mandatory local calling area.

4.2.1.1 The ILEC Transit Service for local traffic shall be billed as follows:

Transit Compensation

Transit Rate \$ 0.000960

Tandem Switching \$ 0.000794

Common Transport Termination Facility/mile \$ 0.000002
(multiply this by 14 to develop average transit rate)
(* 14 =.000028)

Common Transport Termination MOU Statewide \$0.000135

4.2.1.2 The CLEC Transit Service for local traffic shall be billed as follows:

Transit Compensation

Transit Rate \$ 0.000960

Tandem Switching \$ 0.000794

Common Transport Termination Facility/mile \$ 0.000002
(multiply this by 14 to develop average transit rate)
(* 14 =.000028)

Common Transport Termination MOU Statewide \$0.000135

4.2.2 ILEC as Transit Provider: CLEC Optional EAS Transit Traffic is defined as Transit Traffic between CLEC's local end users and the local end users of a Third Party Carrier originated and terminated within an optional calling area. The transit rate applies when traffic transits ILEC' network but ILEC does not perform terminating switching,

CLEC as Transit Provider: AT&T Optional EAS Transit Traffic is defined as Transit Traffic between ILEC' local end users and the local end users of a Third Party Carrier originated and terminated within an optional calling area. The transit rate applies when traffic transits CLEC's network but CLEC does not perform terminating switching.

4.2.2.1 The ILEC Optional EAS Transit Service shall be billed at \$.001030 per MOU.

4.2.2.2 The CLEC Optional EAS Transit Service shall be billed at \$.001030 per MOU.

4.2.3 ILEC' IntraLATA Toll Transit Traffic is defined as Transit Traffic between CLEC's end users and the end users of a Third Party Carrier originated in one mandatory local calling area and terminated in a different mandatory local calling area but where both mandatory local calling areas are within the same LATA. Switched Access rates found in the ILEC Intrastate Switched Access Tariff shall apply for intraLATA Toll Transit Traffic.

4.2.3.1 CLEC's IntraLATA Toll Transit Traffic is defined as Transit Traffic between ILEC' end users and the end users of a Third Party Carrier originated in one mandatory local calling area and terminated in a different mandatory local calling area but where both mandatory local calling areas are within the same LATA. CLEC shall apply the same Switched Access rates found in the ILEC Intrastate Switched Access Tariff for CLEC's IntraLATA

Toll Transit Traffic.

- 4.2.4 Where traffic warrants as described in Attachment ITR, CLEC shall request to establish direct interconnection to third parties as detailed in Attachment ITR.
- 4.3 When CLEC utilizes ILEC' Transit Service, CLEC shall indemnify ILEC against any and all charges levied by a Third Party Carrier upon ILEC, including any termination charges related to such traffic as well as any attorneys fees and expenses. ILEC shall not be required to function as a billing intermediary, (e.g. clearinghouse) when ILEC' Transit Service is provided.
 - 4.3.1 When ILEC utilizes CLEC's Transit Service, ILEC shall indemnify CLEC against any and all charges levied by a Third Party Carrier upon CLEC, including any termination charges related to such traffic as well as any attorneys fees and expenses. CLEC shall not be required to function as a billing intermediary, (e.g. clearinghouse) when CLEC's Transit Service is provided.
- 4.4 When a Third Party Carrier originates Local, Optional EAS or intraLATA toll traffic to be transited by ILEC to CLEC, ILEC agrees to pass the originating CPN information to the terminating Party when the Third Party Carrier provides such information and/or the Operating Company Number (OCN) identifying the carrier ILEC immediately receives traffic from when such information is available.
 - 4.4.1 When a Third Party Carrier originates Local, Optional EAS or intraLATA toll traffic to be transited by CLEC to ILEC, CLEC agrees to pass the originating CPN information to the terminating Party when the Third Party Carrier provides such information and/or the Operating Company Number (OCN) identifying the carrier CLEC immediately receives traffic from when such information is available.
- 4.5 CLEC shall not bill ILEC for terminating any traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN is or is not available) even though ILEC is acting as the transit service provider.
 - 4.5.1 ILEC shall not bill CLEC for terminating any traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN is or is not available) even though CLEC is acting as the transit service provider.
- 4.6 The Parties agree to seek terminating compensation directly from the Third Party Carrier that is originating traffic, not from the Party providing the transit service.
- 4.7 Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network that have been converted to industry standard Electronic Message Interface (EMI). Except as may otherwise be provided in this Agreement, these recordings will be the basis for each Party to generate bills to the other Party and, in connection with Transit Traffic, if necessary, to third-party LECs. Each Party agrees to forward to the other Party call information that may be used to identify the originating and terminating telephone numbers for each call and each carrier involved in transmission of the call (including for purposes of carrier identification, OCN, any equivalent local service identifier and Carrier Identification Code, as appropriate). CLEC shall not bill ILEC for terminating any

traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN information is or is not available) even though ILEC is acting as the transit service provider. ILEC shall not bill CLEC for terminating any traffic that is originated by a Third Party Carrier whether that traffic or carrier is identified or unidentified, (i.e. whether CPN is sent or is not sent by the Third Party Carrier or the OCN information is or is not available) even though CLEC is acting as the transit service provider.

- 4.8 The Parties agree to seek terminating compensation directly from the Third Party Carrier that is originating traffic, not from the Party providing the transit service.
- 4.9 CLEC will pay the Local Transit Traffic rates (found in Section 4.2.1.1 of this Attachment) to ILEC for calls that originate on CLEC's network and are sent to ILEC for termination to a CMRS provider as long as such Traffic can be identified as wireless traffic. ILEC will pay the same Local Transit Traffic rates (found in Section 4.2.1.2 of this Attachment) to CLEC for such calls that originate on ILEC's network and are sent through CLEC for termination on a CMRS Provider's network. Each Party shall be responsible for interconnection agreements with CMRS provider's network. The Parties agree to cooperate with each other regarding third party compensation issues. In the event that the originating party does send traffic through the transiting party's network to a third party provider with whom the originating party does not have a traffic interchange agreement, then the originating party agrees to indemnify the transiting party for such traffic pursuant to Section 7.0 of the General Terms and Conditions portion of the Agreement.
 - 4.9.1 When traffic is originated by either Party to a CMRS Provider, and the traffic cannot be specifically identified as wireless traffic for purposes of compensation between ILEC and CLEC, the traffic will be rated either as Local or Access and the appropriate transit-rates shall be paid by the originating Party to the transiting Party. The delivery of appropriate originating information by the transiting Party and the compensation for the traffic shall be subject to §§ 4.3-4.8.
- 4.10 Each Party agrees that any third party (including without limitation an Affiliate of one Party) may make use of that Party's network to terminate traffic to the other Party. However, nothing in this section precludes the other party from exercising its right to establish direct interconnections with the third party. The other party shall accept the transit traffic if direct interconnection with the third party is unavailable. If the Affiliate has a separate traffic termination agreement with the other Party, the Parties agree that they will work cooperatively to develop an acceptable method for accounting appropriately for that traffic. The rating for transit calls when CLEC provides the transit service shall be the same between the Parties as the rating for calls transited by ILEC to or from any similarly situated third party carrier, as set forth above.
- 4.11 Transit Traffic does not include traffic originated from a third party subscriber line that a third party provides using Wholesale Local Switching (WLS). In such cases, when this traffic is terminated to CLEC (and CLEC is not providing service to the terminating user via WLS) and CLEC is using terminating recordings to bill reciprocal compensation, ILEC will provide detailed call records to identify UNE originating traffic including OCN of the originating carrier to the originating UNE carrier and CLEC, and CLEC will bill the originating UNE carrier for MOUs terminated on CLEC's network. CLEC may obtain billing records identifying the originating carrier from ILEC upon execution of a Non-Disclosure Agreement.

- 4.12 FTA § 251(c)(2)(A) requires an ILEC to interconnect its facilities with those of any requesting telecommunications carrier “for the transmission and routing of telephone exchange service and exchange access.” AT&T shall perform the requisite translations and route all CMRS and CLEC LERG numbers over the transit trunk groups contemplated herein. Specifically, if an NPA-NXX(-x) is active in the LERG showing the CMRS or CLEC seeks routing through a CLEC Tandem, AT&T is obligated to load and route such numbers and use CLEC as a transit provider unless AT&T has direct interconnection with the CMRS or CLEC in the LATA. The CLEC or CMRS provider may use transit through CLEC for alternate or overflow routing. PM 117 measures the percent NXXs loaded and tested by the LERG effective date and this specific performance measure shall apply to all CMRS and CLEC numbers for which the LERG shows routing through a CLEC Tandem.
- 4.13 In order to avoid doubt and to insure that the transit terms are reciprocal, the following are Example Compensation Treatment for All Transit Calls:
- 4.13.1 Rating for this Call is Based on who the transiting carrier “is” and is described as follows:
- a) CLEC/CMRS → CLEC → AT&T. CLEC is the Transiting Carrier providing service to CLEC/CMRS and no compensation is due as between AT&T and CLEC.
 - b) CLEC/CMRS → AT&T → CLEC. AT&T is the Transiting Carrier providing service to CLEC/CMRS and no compensation is due as between AT&T and CLEC.
 - c) CLEC → AT&T → CLEC/CMRS. AT&T is the Transiting Carrier providing service to CLEC and CLEC owes \$.00096 per minute to AT&T.
 - d) AT&T → CLEC → NCLEC/CMRS. CLEC is the Transiting Carrier providing service to AT&T and AT&T owes \$.00096 per minute to CLEC.
 - e) CLEC/CMRS → CLEC → AT&T → CLEC/CMRS; or CLEC/CMRS → AT&T → CLEC → CLEC/CMRS. Both CLEC and AT&T are Transiting Carriers providing service to a third party carrier and no compensation is due as between AT&T and CLEC.
- 5.0 Compensation for Termination of IntraLATA and InterLATA Interexchange Toll Traffic When a Party Is an IXC.
- 5.1 Intentionally Left Blank
- 5.2 For intrastate intraLATA interexchange traffic; not considered Local Traffic, ISP-Bound Traffic, ESP Traffic, Optional EAS Traffic, FX traffic, FGA Traffic, Meet Point Billing Traffic, or Cellular Traffic, compensation for termination of this traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge, as set forth in each Party's intrastate access service tariff. For interstate intraLATA service, compensation for termination of this traffic will be at terminating access rates for MTS and originating access rates for 800 Service including the CCL charge, as set forth in each Party's interstate access service tariff.
- 5.3 For interLATA interexchange traffic, compensation for termination of this traffic will be at access rates as set forth in each Party's own applicable interstate or intrastate access tariffs.

- 6.0 Compensation for Origination and Termination of Switched Access Service Traffic to or from a Third-Party Interexchange Carrier (IXC) (Meet-Point Billing (MPB) Arrangements).
- 6.1 For interLATA traffic and intraLATA traffic, compensation for origination or termination of intercompany Meet Point Billing traffic will be at access rates as set forth in each Party's own applicable interstate or intrastate access tariffs. When such traffic is contained in the Optional Calling Areas, compensation will be applied pursuant to Section 8.0 below.
- 6.2 The Parties will establish MPB arrangements in order to provide Switched Access Services to Interexchange Carriers via a Party's access tandem switch, in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECOD and MECAB documents as amended from time to time. Except as modified herein, MPB will be determined during joint network planning.
- 6.2.1 For avoidance of doubt, and in the event the parties cannot agree on the application of MECAB, calls made to a CLEC ESP Customer, including but not limited to an ESP Customer assigned an CLEC 5yy number, from any location outside the LCA of the CLEC's customer POP will be routed by AT&T over this MPB trunk group as Jointly Provided Feature Group D Access. Further calls made by a CLEC 500 Customer who also subscribes to an IXC who may carry the call which is destined to a location outside of the LCA shall also be routed over this MPB trunk group as Jointly provided Feature Group D Access. The parties agree to a unified meet-point billing architecture for both non-geographic based 500 services and geographic based NPA numbering. In particular, both parties agree to symmetrically implement the MECAB call flow diagram 6.5.8 for terminating access for all traffic exchanged and terminated over this trunk group from one network to the other and MECAB call flow diagram 6.5.7 for originating access for all traffic exchanged and originated over this trunk group from one network to the other. Examples of joint tariff application for this call is provided in Section 10 below.
- 6.3 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 6.4 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services jointly handled by the Parties via the MPB arrangement. Where the Exchange Message Interface (EMI) records cannot be transferred due to transmission failure, records can be provided via a mutually acceptable medium. Each Party will act as the Official Recording Company for switched Access usage when it is jointly provided between the Parties. As described in the MECAB document, the Official Recording Company for tandem routed traffic is: (1) the end office company for originating traffic, (2) the tandem company for terminating traffic and (3) the SSP company for originating 800 traffic. The exchange of Access Usage Records ("AURs") to accommodate meet point billing will be on a reciprocal, no charge basis. Each Party agrees to provide the other Party with AURs based upon mutually agreed upon intervals.
- 6.5 Billing for the Switched Access Services jointly provided by the Parties via the MPB arrangement will be according to the multiple bill single tariff method. As described in the MECAB document each Party will render a bill in accordance with its tariff for its portion of the service. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC),

if any, will be billed by the Party providing the End Office function.

- 6.6 MPB will also apply to all jointly provided Switched Access MOUs bearing the 900 or toll free NPAs, (e.g., 800, 877, 866, 888 NPAs or any other non-geographical NPAs) which may likewise be designated for such traffic where the responsible party is an IXC. The Party that performs the SSP function (launches the query to the 800 database) will bill the 800 Service Provider for this function.
- 6.6.1 Originating 800 Access Traffic Involving CLEC ESP Customers: The Parties will use a unified meet-point billing architecture for both non-geographic based 500 services and geographic based NPA numbering when an ESP customer of either Party initiates an 8yy toll free call. In particular, both Parties agree to symmetrically implement the MECAB call flow diagram 14.5.20 and for originating 800 access for all traffic exchanged and terminated over this trunk group from one network to the other. Examples of joint tariff application for this call is provided in Section 10 below.
 - 6.6.1.1 For avoidance of doubt, calls made by a CLEC 500 Customer, or any other CLEC customer dialing an 8yy number shall be routed by ILEC over a MPB trunk group as Jointly Provided Feature Group D Access. Examples of joint tariff application for this call is provided in Section 10 below.
 - 6.6.1.2 ILEC and CLEC will follow industry standard routing procedures and billing procedures and hand the call to the 800 subscriber's IXC. In the event that the IXC does not have direct interconnection with CLEC when the CLEC user launched the 800 call, CLEC will pass the call to an ILEC access tandem which will then pass the call to the IXC. Since the billing will occur under the MECAB Single Tariff/Multiple Bill option, both CLEC and ILEC will pass access usage records to the IXC for Originating 8yy access billing at ILEC' access tariff rates. Examples of joint tariff application for this call is provided in Section 10 below.
- 6.7 If an IXC interconnected to a Party does not have a CIC assigned by NANPA and an ACTL identifier, the other Party may bill the interconnecting Party instead of billing the IXC.
- 7.0 Billing Arrangements for Compensation for Termination of Local Traffic, ISP-Bound Traffic, IntraLATA Toll Traffic, and Optional Calling Area Traffic.
- 7.1 Each Party, unless otherwise agreed, will calculate terminating interconnection minutes of use based on standard switch recordings made within the terminating carrier's network for Local Traffic, Optional EAS Traffic, ISP-Bound Traffic and IntraLATA Toll Traffic. These terminating recordings are the basis for each Party to generate bills to the originating carrier.
- 7.2 Where a terminating CLEC is not technically capable of billing the originating carrier through the use of terminating records, ILEC will provide terminating CLEC the appropriate call records that will allow the terminating CLEC the ability to directly bill the proper intercarrier compensation charges to the originating carrier.
 - 7.2.1 The measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.

- 7.2.2 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) consecutive months of prior usage data.
- 8.0 Compensation for Termination of Optional Calling Area Service Traffic
- 8.1 Optional Extended Area Service (Optional EAS, or “OEAS”) - For extended area traffic including Optional Area Traffic, except mandatory extended traffic addressed in Section 1.2 of this Attachment compensation for termination of intercompany traffic will be the rates listed below. This compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with ILEC’ tariffs. A list of such areas will be provided by ILEC to CLEC upon request. CLEC is not precluded from establishing its own local calling areas or prices for purposes of retail telephone service offerings.
- 8.2 The following rates will apply as permanent rates for the transport and termination of optional calling area traffic. This Optional EAS compensation rate applies to all terminating traffic for calls to and from end users physically located in specific areas designated as Commission approved Optional EAS route(s) in accordance with ILEC’ tariffs. A list of such areas will be provided by ILEC to CLEC upon request. The transport and termination rate applies when either Party transports traffic and terminates it at its own switch.
- 8.2.1 Optional EAS Transport & Termination Rate \$.002487 per MOU
- 8.2.2 After the call has been routed the call will be deemed as “OEAS” based on the terminating record of either Party if:
- 1) The call is an OEAS Call as defined in ILEC’ Tariff; and
 - 2) The call must not be categorized by the originating Party as either FX or Transit.
- 9.0 For purposes of this Appendix, the definitions in the Attachment Definition appendix shall apply.
- 10.0 Call Examples of Jointly Provided Access for NON-ESP Traffic and ESP Traffic including use of 5yy numbers by ESPs.
- 10.1 Applicable Rates:
- 10.1.1.1 Mutual and Reciprocal Access Rates apply to this traffic as it is a type. To avoid future disputes, the following are the appropriate rates taken from the applicable AT&T Access Tariff. Fall all sample calculations we assume a 10 mile average between POI and the end office:
- 10.1.1.1.1 Local Switching at a rate of \$0.002563 per MOU
- 10.1.1.1.2 Shared End Office Trunk Port at a rate of \$0.000900 per MOU
- 10.1.1.1.3 Tandem-Switched Transmission/Common Transport at a rate of \$0.000053 per MOU

- 10.1.1.1.4 Tandem-Switched Transmission/Common Transport – \$0.0000030 per minute per mile
- 10.1.1.1.5 Tandem End Office Multiplexing at a rate of \$0.000047 per MOU
- 10.1.1.1.6 Tandem Switching at rate of \$0.000328 per MOU

10.1.1.2 Assuming a 10 mile TST/CT length the total charge will be for 0.003921 per minute

10.2 Billing Percentage

- 10.2.1 Under MECAB rules, for multiple bill option, the billing LECs must split the access charges under the Billing Percentage (BP). As directed by the Award, CLEC and AT&T shall negotiate BPs on a LATA-by-LATA basis and then file the results with NECA.
- 10.2.2 CLEC initially proposes to split the BP 50% / 50% for all JPA regardless of direction and type of call. CLEC believes that this equitable split would discourage gaming of the directionality of traffic by either party.
- 10.2.3 If the 50/50 split is not accepted by AT&T, in all cases, then for traffic flowing from CLEC to AT&T or from AT&T to CLEC, CLEC proposes and is entitled to under MECAB symmetrical treatment for billing purposes of all traffic. All Call

10.3 Call Rating and Billing Examples

- 10.3.1 IXC → AT&T → CLEC → CLEC Customer. The parties will jointly recover tandem, tandem switched transport and end office switching at a 50/50 BP split. The parties would each bill a total of \$0.00195 per minute to the IXC. This includes all situations where the CLEC Customer is an ESP and utilizes a 5yy npa. This also includes all situations where the CLEC customer is an ESP and uses a geographic NPA-NXX.
- 10.3.2 IXC → CLEC → AT&T → AT&T End User. The parties will jointly recover tandem, tandem switched transport and end office switching at a 50/50 BP split. The parties would bill a total of \$0.00195 per minute to the IXC. In this situation the IXC's CIC must be passed.
- 10.3.3 CLEC Customer (dials 8yy number) → CLEC → AT&T → IXC. The parties will recover end office, tandem switched transport and tandem. The party that performs the simple 8yy query will recover that charge. Both parties would bill a total of \$0.00195 per minute to the IXC. This includes all situations where the CLEC Customer is an ESP and utilizes a 5yy npa. This also includes all situations where the CLEC customer is an ESP and uses a geographic NPA-NXX.
- 10.3.4 CLEC Customer (dials non-local number) → CLEC → AT&T → IXC via PIC by CLEC end User. Parties will recover end office tandem switched transport and tandem. Both parties would bill a total of \$0.00195 per minute to the IXC. This includes all situations where the CLEC Customer is an ESP and utilizes a 5yy npa. This also includes all situations where the CLEC customer is an ESP and uses a geographic NPA-NXX.