INCUMBENT LOCAL EXCHANGE CARRIER INTERCONNECTION AGREEMENT

BETWEEN

GTE NORTH INCORPORATED

AND

OGDEN TELEPHONE COMPANY

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This Incumbent Local Exchange Carrier Interconnection Agreement (this "Agreement"), is made effective as of July 1, 1998, by and between GTE North Incorporated, with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and Ogden Telephone Company, an incumbent local exchange carrier ("Ogden"), with its address for this Agreement at Ogden Telephone Company, 4726 E. Weston Road, Blissfield, Michigan 49228 (GTE and Ogden being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Michigan only (the "State").

WHEREAS, interconnection between Incumbent Local Exchange Carriers ("ILECs") is necessary and desirable for the mutual exchange and termination of traffic originating on each ILEC's network; and

WHEREAS, the Parties desire to exchange such traffic and related signaling in a technically and economically efficient manner at defined and mutually agreed upon points of interconnection; and

WHEREAS, the Parties wish to enter into an agreement to interconnect their respective telecommunications networks on terms that are fair and equitable to both Parties.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GTE and Ogden Telephone Company, hereby covenant and agree as follows:

ARTICLE I SCOPE AND INTENT OF AGREEMENT

Pursuant to this Agreement, the Parties will extend certain arrangements to one another within each area in which they both operate within the State for purposes of interconnection and the exchange of traffic between their respective end user customers, and reciprocal access to poles, ducts, conduits and rights-of-way. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. This Agreement will be submitted to the Michigan Public Service Commission (the "Commission") for review. The Parties agree that their entrance into this Agreement is without prejudice to and does not waive any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements covered in this Agreement.

The services and facilities to be provided by the Parties in satisfaction of this Agreement may be provided pursuant to tariffs and then current practices. Should such services and facilities be modified by tariff or by Order, including any modifications resulting from other Commission proceedings, federal court review or other judicial action, such modifications will be deemed to automatically supersede any rates and terms and conditions of this Agreement. The Parties shall cooperate with one another for the purpose of incorporating required modifications into this agreement.

The terms and conditions set forth in this Agreement are conditioned upon adoption by the Commission and/or relevant governmental authorities of the costing and pricing principles that would permit GTE to recover all of its costs as provided under the Telecommunications Act of 1996.

ARTICLE II DEFINITIONS

- 1. <u>General Definitions</u>. Except as otherwise specified herein, the following definitions shall apply to all Articles and Appendices contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article. To the extent that there may be any conflict between a definition set forth in this Article II and any definition in a specific Article or Appendix, the definition set forth in the specific Article or Appendix shall control with respect to that Article or Appendix.
- 1.1 "Act" means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.
- "Affiliate" of a Party means a person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with a Party.
- 1.3 "AMA" means the Automated Message Accounting structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Bellcore as GR-1100-CORE which defines the industry standard for message recording.
- 1.4 "Applicable Law" shall mean all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, and approvals of any Governmental Authority, which apply or relate to the subject matter of this Agreement.
- 1.5 "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- "Bellcore" means an organization owned jointly by the Bell regional holding companies and that may in the future be owned partially or totally by other persons, that conducts research and development projects for its owners, including development of new telecommunications services. Bellcore also provides certain centralized technical and management services for the regional holding companies and also provides generic requirements for the telecommunications industry for products, services and technologies.
- "Bill-and-Keep Arrangement" means a compensation arrangement whereby the Parties do not render bills to each other for the termination of local traffic specified in this Agreement and whereby the Parties terminate local exchange traffic originating from end-users served by the networks of the other Party without explicit charging among or between said carriers for such traffic exchange.
- 1.8 "Business Day" shall mean Monday through Friday, except for holidays on which the U.S. mail is not delivered.
- 1.9 "CLLI codes" means Common Language Location Identifier Codes.
- "Commercial Mobile Radio Services" (CMRS) means a radio communication service between mobile stations or receivers and land stations, or by mobile stations communicating among themselves that is provided for profit and that makes interconnected service available to the public or to such classes of eligible users as to be effectively available to a substantial portion of the public.

- 1.11 "Commission" means the Michigan Public Service Commission.
- "Common Channel Signaling" or "CCS" means a high-speed specialized packet-switched communications network that is separate (out-of-band) from the public packet-switched and message networks. CCS carries addressed signaling messages for individual trunk circuits and/or database-related services between Signaling Points in the CCS network using SS7 signaling protocol.
- 1.13 "Competitive Local Exchange Carrier" (CLEC) means any company or person authorized to provide local exchange services in competition with an ILEC.
- 1.14 "compliance" means environmental and safety laws and regulations are based upon a federal regulatory framework, with certain responsibilities delegated to the States. An environmental/safety compliance program may include review of applicable laws/regulations, development of written procedures, training of employees and auditing.
- 1.15 **"Customer"** may mean GTE or **ILEC depending on the context and which Party is receiving the service from the other Party.
- 1.16 "Customer Usage Data" means that the local telecommunications services usage data of a CLEC customer, measured in minutes, sub-minute increments, message units, or otherwise, that is recorded and exchanged by the Parties.
- 1.17 **"DS-1"** is a digital signal rate of 1.544 Mbps.
- 1.18 "DS-3" is a digital signal rate of 44.736 Mbps.
- 1.19 "EMR" means the Exchange Message Record which is an industry standard record used to exchange telecommunications message information among CLECs for billable, non-billable, sample, settlement and study data. EMR format is defined in BR-010-200-010 CRIS Exchange Message Record, published by Bellcore and which defines the industry standard for exchange message records.
- "E-911 Service" is a method of routing 911 calls to a Public Service Answering Point that uses a customer location database to determine the location to which a call should be routed. E-9-1-1 service includes the forwarding of the caller's Automatic Number Identification (ANI) to the PSAP where the ANI is used to retrieve and display the Automatic Location Identification (ALI) on a terminal screen at the answering Attendant's position. It usually includes selective routing.
- 1.21 **"Exchange Service"** refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network ("PSTN"), and which enable such end users to place or receive calls to all other stations on the PSTN.
- "EIS" or "Expanded Interconnection Service" means a service that provides interconnecting carriers with the capability to terminate basic fiber optic transmission facilities, including optical terminating equipment and multiplexers, at GTE's wire centers and access tandems and interconnect those facilities with the facilities of GTE. Microwave is available on a case-by-case basis where feasible.
- 1.23 **facility** means all buildings, equipment, structures and other items located on a single site or contiguous or adjacent sites owned or operated by the same persons or person.
- 1.24 **"FCC"** means the Federal Communications Commission.

- 1.25 generator means under Resource Conservation Recovery Act (RCRA), the person whose act produces a hazardous waste (40 CFR 261) or whose act first causes a hazardous waste to become subject to regulation. The generator is legally responsible for the proper management and disposal of hazardous wastes in accordance with regulations.
- 1.26 **"GTOC"** means GTE Telephone Operating Company.
- 1.27 hazard communications (hazcom) means under 29 CFR 1910.1200, employers must develop, implement and maintain a written hazard communication program which must include a system for labels, Material Safety Data Sheets (MSDS) and employee information and training for employees working with hazardous chemicals.
- 1.28 **hazardous chemical** means as defined in the U.S. Occupational Safety and Health (OSHA) hazard communication standard (29 CFR 1910.1200), any chemical which is a health hazard or physical hazard.
- 1.29 **hazardous waste** means as described in RCRA, a solid waste(s) which may cause, or significantly contribute to an increase in mortality or illness or pose a substantial hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise managed because of its quantity, concentration or physical or chemical characteristics.
- 1.30 **imminent danger** means as described in the Occupational Safety and Health Act and expanded for environmental matters, any conditions or practices at a facility which are such that a danger exists which could reasonably be expected to cause death or serious harm or significant damage to the environment or natural resources.
- 1.31 "Incumbent Local Exchange Carrier" (ILEC) means any local exchange carrier that was as of February 8, 1996, deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. §69.601(b) of the FCC's regulations.
- 1.32 "Interconnection Point" ("IP") means the physical point on the network where the two parties interconnect. The "IP" is the demarcation point between ownership of the transmission facility.
- 1.33 **"ISUP"** means a part of the SS7 protocol that defines call setup messages and call takedown messages.
- 1.34 "IXC" or "Interexchange Carrier" means a telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and are authorized by the State to provide inter- and/or intraLATA long distance communications services within the State.
- 1.35 **"LATA"** means Local Access and Transport Area. A LATA denotes a geographic area for the provision and administration of communications service; *i.e.*, intraLATA or interLATA.
- 1.36 **"Local Exchange Carrier" or "LEC"** means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this Agreement.
- 1.37 **"Local Exchange Routing Guide" or "LERG"** means the Bellcore reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designation.
- 1.38 **"Local Traffic"** means traffic that is originated by an end user of one Party and terminates to the end user of the other Party within the Parties' then current local serving area, including mandatory local calling scope arrangements. A mandatory local calling scope arrangement is an

arrangement that provides end users a local calling scope, Extended Area Service ("EAS"), beyond their basic exchange serving area. Local Traffic does <u>not</u> include optional local calling scopes (i.e., optional rate packages that permit the end user to choose a local calling scope beyond their basic exchange serving area for an additional fee), referred to hereafter as "optional EAS". Local Traffic excludes Information Service Provider (ISP) traffic, (e.g. Internet, Paging, 900, etc.).

- 1.39 **"Mid-Span Meet"** means an Interconnection architecture whereby two carriers' transmission facilities meet at a mutually agreed-upon POI.
- 1.40 "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States, Canada, and the Caribbean countries that employ NPA 809.
- 1.41 "Network Element" means a facility or equipment used in the provision of a telecommunications service. Network Element includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.
- "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas. 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- 1.44 "911 Service" means a universal telephone number which gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.
- 1.45 **owner and operator** means as used in OSHA regulations, owner is the legal entity, including a lessee, which exercises control over management and record keeping functions relating to a building or facility. As used in the Resource Conservation and Recovery Act (RCRA), operator means the person responsible for the overall (or part of the) operations of a facility.
- 1.46 "POI" means Point of Interconnection designated for routing of local interconnection trunks.
- 1.47 **"Provider"** may mean GTE or **ILEC depending on the context and which Party is providing the service to the other Party.
- "Public Safety Answering Point" or "PSAP" means an answering location for 9-1-1 calls originating in a given area. A PSAP may be designated as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; Secondary PSAPs receive calls on a transfer basis only, and generally serve as a centralized answering location for a particular type of emergency call. PSAPs are staffed by employees of Emergency Response Agencies

- ("ERAs") such as police, fire or emergency medical agencies or by employees of a common bureau serving a group of such entities.
- 1.49 "Right-of-way" or "ROW" means the right to use the land or other property of another party to place poles, conduits, cables, other structures and equipment, or to provide passage to access such structures and equipment. A ROW may run under, on, or above public or private property (including air space above public or private property) and may include the right to use discrete space in buildings, building complexes, or other locations.
- 1.50 "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.
- 1.51 "Service Switching Point" or "SSP" means a Signaling Point that can launch queries to databases and receive/interpret responses used to provide specific customer services.
- 1.52 **"Signaling Point" or "SP"** means a node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.
- 1.53 "Signaling System 7" or "SS7" means the signaling protocol, Version 7, of the CCS network, based upon American National Standards Institute ("ANSI") standards.
- "Signal Transfer Point" or "STP" means a packet switch in the CCS network that is used to route signaling messages among SSPs, SCPs and other STPs in order to set up calls and to query databases for advanced services. GTE's network includes mated pairs of local and regional STPs. STPs are provided in pairs for redundancy. GTE STPs conform to ANSI T1.111-8 standards.
- 1.55 **spill or release** means as described under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), it includes, but is not limited to: spilling, leaking, dumping or disposing into the environment of any hazardous chemical, extremely hazardous substance or CERCLA hazardous substance.
- 1.56 **"Subsidiary"** of a Party means a corporation or other legal entity that is majority owned by such Party.
- "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of traffic to or from Exchange Service customers in a given area pursuant to a switched access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group C, Feature Group D, 800 access and 900 access services.
- 1.58 "Telecommunications Services" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.59 **third party contamination** means environmental pollution that is not generated by the LEC or **ILEC but results from off-site activities impacting a facility.
- 1.60 **Undefined Terms** means the Parties acknowledge that terms may appear in this Agreement which are not defined and agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the effective date of this Agreement.

"Wire Center" means a building or space within a building that serves as an aggregation point on a LEC's network, where transmission facilities and circuits are connected or switched. "Wire center" can also denote a building in which one or more Central Offices, used for the provision of exchange services and access services, are located.

ARTICLE III GENERAL PROVISIONS

- Scope of General Provisions. Except as may otherwise be set forth in a particular Article or Appendix of this Agreement, in which case the provisions of such Article or Appendix shall control, these General Provisions apply to all Articles and Appendices of this Agreement.
- 2. <u>Term and Termination</u>.
- 2.1 Term. Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than 90 calendar days prior to the end of the current term, this Agreement shall remain in effect for 90 calendar days after such notice is received, provided, that in no case shall the term be extended beyond 90 calendar days after the end of the current term.
- 2.2 <u>Post-Termination Arrangements</u>. Except in the case of termination as a result of either Party's default or a termination upon sale, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements may continue without interruption (a) under a new agreement voluntarily executed by the Parties; (b) standard terms and conditions approved and made generally effective by the Commission, if any; (c) tariff terms and conditions made generally available to all CLECs; or (d) any rights under Section 252(i) of the Act.
- 2.3 <u>Termination Upon Default</u>. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party; *provided however*, that the non-defaulting Party notifies the defaulting party in writing of the alleged default and that the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of written notice thereof. Default is defined to include:
 - (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or
 - (b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation any of the material terms or conditions of this Agreement.
- 2.4 <u>Termination Upon Sale</u>. Notwithstanding anything to the contrary contained herein, a Party may terminate this Agreement as to a specific operating area or portion thereof of such Party if such Party sells or otherwise transfers the area or portion thereof. The Party shall provide the other Party with at least ninety (90) calendar days' prior written notice of such termination, which shall be effective on the date specified in the notice. Notwithstanding termination of this Agreement as to a specific operating area, this Agreement shall remain in full force and effect in the remaining operating areas.
- 2.5 <u>Liability upon Termination</u>. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.

- 3. <u>Amendments</u>. Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.
- 4. <u>Assignment</u>. Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.
- 5. <u>Authority</u>. Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.
- 6. Responsibility for Payment. The Parties will bill each other for all charges for services provided under this Agreement, including all applicable taxes and surcharges. The Parties will be responsible for the payment of charges billed regardless of any billing arrangements or situations between a Party and its end user customer.
- 7. <u>Billing and Payment</u>. Except as provided elsewhere in this Agreement and where applicable, in conformance with MECAB and MECOD guidelines, the Parties agree to exchange all information to accurately, reliably, and properly bill for features, functions and services rendered under this Agreement.
- 7.1 <u>Dispute</u>. If one Party disputes a billing statement issued by the other Party, the billed Party shall notify Provider in writing regarding the nature and the basis of the dispute within sixty (60) calendar days of the statement date or the dispute shall be waived. The Parties shall diligently work toward resolution of all billing issues.
- 7.2 <u>Late Payment Charge</u>. If any undisputed amount due on the billing statement is not received by Provider on the payment due date, Provider may charge interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable state access tariffs or one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.
- 7.3 <u>Due Date</u>. Payment is due 30 calendar days from the bill date or 20 calendar days from receipt of bill whichever is later.
- Audits. Either Party may conduct an audit of the other Party's books and records pertaining to the Services provided under this Agreement, no more frequently than once per twelve (12) month period, to evaluate the other Party's accuracy of billing, data and invoicing in accordance with this Agreement. Any audit shall be performed as follows: (i) following at least thirty (30) Business Days' prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party: (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.
- 8. <u>Binding Effect</u>. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

- 9. <u>Compliance with Laws and Regulations</u>. Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.
- Confidential Information.
- 10.1 <u>Identification</u>. Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.
- Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:
 - (a) That all Confidential Information shall be and shall remain the exclusive property of the source;
 - (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - (e) To return promptly any copies of such Confidential Information to the source at its request; and
 - (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.
- Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 10.4 <u>Survival</u>. The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

- 11. <u>Consent</u>. Where consent, approval, or mutual agreement is required of a Party, it shall not be unreasonably withheld or delayed.
- 12. <u>Cooperation on Fraud Minimization</u>. Each Party assumes responsibility for all fraud associated with its end user customers and accounts. Neither Party shall have responsibility for, nor is it required to investigate or make adjustments to the other Party's account in cases of fraud. The Parties agree that they shall cooperate with one another to resolve cases of fraud. The Parties' fraud minimization procedures are to be cost effective and implemented so as not to unduly burden or harm one Party as compared to the other.
- 13. Dispute Resolution.
- Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as their sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- 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, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.
- 13.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (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 another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

- Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 13.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 13.5 <u>Costs</u>. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.
- 13.6 <u>Continuous Service</u>. 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 in accordance with this Agreement.
- 14. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.
- 15. <u>Expenses</u>. Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.
- 16. Force Majeure. In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.
- 17. <u>Good Faith Performance</u>. In the performance of their obligations under this Agreement, the Parties shall act in good faith. In situations in which notice, consent, approval or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be unreasonably delayed, withheld or conditioned.
- 18. <u>Governing Law</u>. This Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.
- 19. <u>Headings</u>. The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

20. Independent Contractor Relationship. The persons provided by each Party shall be solely that Party's employees and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.

21. Law Enforcement Interface.

- 21.1 Except to the extent not available in connection with GTE's operation of its own business, GTE shall provide seven day a week/twenty-four hour a day assistance to law enforcement persons for emergency traps, assistance involving emergency traces and emergency information retrieval on customer invoked CLASS services, including, without limitation, call traces requested by the other Party.
- The Parties agree to work jointly in security matters to support law enforcement agency requirements for taps, traces, court orders, etc.
- 22. <u>Liability and Indemnity</u>.
- 22.1 Indemnification. Each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.
- 22.2 End User and Content-Related Claims. Each Party agrees to release, indemnify, defend, and hold harmless the other Party, its affiliates, and any third-party provider or operator of facilities involved in the provision of Services, Unbundled Network Elements or Facilities under this Agreement (collectively, the "Indemnified Party") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by either Party's end users against an Indemnified Party arising from Services, Unbundled Network Elements or Facilities. Each Party further agrees to release, indemnify, defend, and hold harmless the Indemnified Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's

fees, suffered, made, instituted, or asserted by any third party against an Indemnified Party arising from or in any way related to actual or alleged defamation, libel, slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person orproperty arising out of content transmitted by the Indemnified Party or such Party's end users, or any other act or omission of the Indemnified Party or such Party's end users.

- 22.3 <u>DISCLAIMER</u>. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES TO CUSTOMER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, UNBUNDLED NETWORK ELEMENTS OR FACILITIES PROVIDED UNDER THIS AGREEMENT. PROVIDER DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.
- Limitation of Liability. Each Party's liability, whether in contract, tort or otherwise, shall be limited to direct damages, which shall not exceed the pro rata portion of the monthly charges for the services or facilities for the time period during which the services or facilities provided pursuant to this Agreement are inoperative, not to exceed in total the monthly charges for the service. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, the Parties recognize that each may, from time to time, provide to the other Party advice, make recommendations, or supply other analysis related to the services or facilities described in this Agreement, and, while each shall use diligent efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analysis.
- 22.5 Intellectual Property. 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 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 or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.
- 23. <u>Multiple Counterparts</u>. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.
- 24. <u>No Offer.</u> This Agreement will be effective only upon execution and delivery by both Parties and approval by the Commission in accordance with Section 252 of the Act.
- 25. <u>No Third Party Beneficiaries</u>. Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other right or privilege.
- 26. Notices. Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Upon prior immediate oral agreement of the parties' designated recipients identified below, notice may also be provided by facsimile, internet or

electronic messaging system, which shall be effective if sent before 5:00 p.m. on that day, or if sent after 5:00 p.m. it will be effective on the next Business Day following the date sent. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to GTE: GTE North Incorporated

Attention: Carol Rutgers
860 Terrace Street, P.O. Box 269

Muskegon, MI 49443

Facsimile number: 616-727-1686
Internet Address: carol.rutgers@telops.gte.com

If to Ogden

Telephone Co.:

Attention: Linda Corie

4726 E. Weston Road

Blissfield,MI 49228

Facsimile number: 517-443-5596
Internet Address: linda@cass.net

- 27. <u>Protection</u>.
- 27.1 Impairment of Service. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").
- 27.2 Resolution. If either Party causes an Impairment in Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.
- 28. <u>Publicity</u>. Any news release, public announcement, advertising, or any form of publicity pertaining to this Agreement, provision of Services or Facilities pursuant to it, or association of the Parties with respect to provision of the services described in this Agreement shall be subject to prior written approval of both Parties.
- 29. Regulatory Agency Control. This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the applicable state utility regulatory commission to the extent the substance of this Agreement is or becomes subject to the jurisdiction of such agency.
- 30. <u>Changes in Legal Requirements</u>. The Parties further agree that the terms and conditions of this Agreement were composed in order to effectuate the legal requirements in effect at the time the

- Agreement was produced. Any modifications to those requirements will be deemed to automatically supersede any terms and conditions of this Agreement.
- 31. <u>Effective Date</u>. If this Agreement or changes or modifications thereto are subject to approval of a regulatory agency, the "effective date" of this Agreement for such purposes will be ten (10) Business Days after such approval or in the event this Agreement is developed in whole or in part through arbitration, sixty (60) Business Days after such approval. Such date (i.e., ten (10) or, if arbitrated, sixty (60) Business Days after the approval) shall become the "effective date" of this Agreement for all purposes.
- 32. Regulatory Matters. Each Party shall be responsible for obtaining and keeping in effect all their own 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 required approvals.
- 33. <u>Rule of Construction</u>. No rule of construction requiring interpretation against the drafting party hereof shall apply in the interpretation of this Agreement.
- 34. <u>Section References</u>. Except as otherwise specified, references within an Article of this Agreement to a Section refer to Sections within that same Article.
- 35. Service Standards.
- The Parties shall meet applicable quality of local service standards imposed by the Commission and will provide a level of services to each other under this Agreement in compliance with the nondiscrimination requirements of the Act.
- 36. <u>Severability</u>. If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.
- 37. <u>Subcontractors</u>. Provider may enter into subcontracts with third parties or affiliates for the performance of any of Provider's duties or obligations under this Agreement.
- 38. <u>Subsequent Law.</u> The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.
- 39. Taxes. Any state or local excise, sales, or use taxes (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation that qualifies the obligated Party for a full or partial exemption. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may

contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party.

39.1 Tax - A charge which is statutorily imposed by the state or local jurisdiction and is either (a) imposed on the seller with the seller having the right or responsibility to pass the charge(s) on to the purchaser and the seller is responsible for remitting the charge(s) to the state or local jurisdiction or (b) imposed on the purchaser with the seller having an obligation to collect the charge(s) from the purchaser and remit the charge(s) to the state or local jurisdiction.

Taxes shall include but not be limited to: federal excise tax, state/local sales and use tax, state/local utility user tax, state/local telecommunication excise tax, state/local gross receipts tax, and local school taxes. Taxes shall not include income, income-like, gross receipts on the revenue of a provider, or property taxes. Taxes shall not include payroll withholding taxes unless specifically required by statute or ordinance.

Fees/Regulatory Surcharges - A charge imposed by a regulatory authority, other agency, or resulting from a contractual obligation, in which the seller is responsible or required to collect the fee/surcharge from the purchaser and the seller is responsible for remitting the charge to the regulatory authority, other agency, or contracting party.

Fees/Regulatory Surcharges shall include but not be limited to E911/911, E311/311, franchise fees, Lifeline, hearing impaired, and Commission surcharges.

- 40. <u>Trademarks and Trade Names</u>. Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.
- 41. <u>Waiver</u>. The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.
- 42. <u>Environmental Responsibility</u>.
- The Parties agree to comply with applicable federal, state and local environmental and safety laws and regulations including U.S. Environmental Protection Agency (EPA) regulations issued under the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act, Superfund Amendments and Reauthorization Act and the Toxic Substances Control Act and OSHA regulations issued under the Occupational Safety and Health Act of 1970. Each Party has the responsibility to notify the other if compliance inspections occur and/or citations are issued that impact any aspect of this Agreement such as occurring on a LEC facility or involving **ILEC potential employee exposure.
- The Parties shall provide notice of known and recognized physical hazards or hazardous chemicals that must include providing Material Safety Data Sheets (MSDSs) for materials existing on site or brought on site to the facility. Each Party is required to provide specific notice for potential imminent danger conditions which could include, but is not limited to, a defective utility pole or significant petroleum contamination in a manhole.
- 42.3 GTE will make available additional environmental control or safety procedures for **ILEC to review and follow when working at a GTE facility. Providing these procedures, beyond government regulatory compliance requirements, is the decision of GTE. These practices/procedures will represent the

- regular work practices required to be followed by the employees and contractors of GTE for safety and environmental protection.
- Any materials brought, used or remaining at the facility by **ILEC are owned by **ILEC. **ILEC will indemnify GTE for these materials. No substantial new safety or environmental hazards can be created or new hazardous materials can be used at a GTE facility. **ILEC must demonstrate adequate emergency response capabilities for its materials used or remaining at the GTE facility.
- When third party contamination is discovered at a GTE facility, the Party uncovering the condition must notify the proper safety or environmental authority, if required under applicable laws or regulations.

 **ILEC must also notify GTE of third party contamination it discovers at GTE facilities. The cost causer (requiring access) will become the generator, as owner or operator, of any waste materials such as petroleum contaminated water, sewage or manhole sediment.
- **ILEC should obtain and use its own environmental permits, if necessary. If GTE's permit or EPA identification number must be used, **ILEC must comply with all of GTE's environmental processes including environmental "best management practices (BMP)" and/or selection of disposition vendors and disposal sites.
- 42.7 **ILEC visitors must comply with GTE security, fire safety, safety, environmental and building practices/codes including equivalent employee training when working in GTE facilities.
- 42.8 GTE and **ILEC shall coordinate plans or information required to be submitted to government agencies, such as emergency response plans and community reporting. If fees are associated with filing, GTE and **ILEC must develop a cost sharing procedure.
- 42.9 Notwithstanding Section 21, GTE and **ILEC shall indemnify, defend and hold harmless the other party from and against any claims (including, without limitation, third party claims for personal injury or real or personal property damage), judgments, damages (including direct and indirect damage, and punitive damages), penalties, fines, forfeitures, cost, liabilities, interest and losses or in connection with the violation or alleged violation of any applicable requirement or the presence or alleged presence of contamination arising out of the indemnifying party's acts or omissions concerning its operations at the facility.
- 42.10 Activities impacting safety or the environment of a Right of Way must be harmonized with the specific agreement and the relationship between GTE and the private land owner. This could include limitations on equipment access due to environmental conditions (e.g., wetland area with equipment restrictions).

ARTICLE IV INTERCONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

- 1. <u>Services Covered by This Article</u>.
- 1.1 <u>Types of Services</u>. This Article governs the provision of internetwork facilities (i.e., physical interconnection services and facilities), the transport, termination and billing of Local traffic, IntraLATA Toll and Optional EAS traffic. The services and facilities described in this Article shall be referred to in this Article IV as the "Services."
- 1.2 <u>Local Calling Areas</u>. In Appendix A, the Local Calling Areas between the Parties are listed. Appendix A, attached to and made part of this Agreement, sets forth the Parties' exchanges that are interconnected for the purpose of providing mandatory two-way local calling pursuant to this Agreement.
- 2. <u>Billing and Rates</u>.
- 2.1 <u>Rates and Charges</u>. The Parties agree to compensate each other at the rates and charges for the Services set forth in the applicable appendices to this Agreement. GTE's rates and charges are set forth in <u>Appendix B</u> attached to this Agreement and made a part hereof. **ILEC's separate rates and charges are also set forth in <u>Appendix B</u> attached hereto and made a part hereof.
- 2.2 <u>Billing</u>. The Parties shall render a bill for interconnection services on a current basis. Charges for physical facilities and other nonusage sensitive charges shall be billed in advance, except for charges and credits associated with the initial or final bills. Usage sensitive charges, such as charges for termination of Local Traffic, shall be billed in arrears.
- 3. <u>Transport and Termination of Traffic.</u>
- 3.1 Types of Traffic. The Parties shall reciprocally terminate Local Traffic originating on each other's networks utilizing either Direct or Indirect Network Interconnections. To this end, the Parties agree that there will be interoperability between their networks. Only traffic originated by or terminating to the Parties' end user customers is to be exchanged. The Parties also agree to exchange traffic associated with Third-Party LECs and Wireless Service Providers if an agreement has been made between the originating carrier and both the tandem company and the terminating company. In addition, the Parties will notify each other of any anticipated change in traffic distribution.
- 3.2 Compensation For Exchange Of Traffic.
 - 3.2.1 <u>Mutual Compensation</u>. The Parties shall compensate each other for the exchange of Local Traffic in accordance with Section 3.2.2 of this Article. Charges for the transport and termination of intraLATA toll and interexchange traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, as appropriate. Optional extended area service (EAS), where applicable, will be classified as toll traffic. Mandatory EAS will be classified as local traffic.
 - 3.2.2 <u>Bill-and-Keep</u>. The Parties shall assume that Local Traffic is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a traffic study be performed no more frequently than once a quarter. Should such traffic study indicate, in the aggregate, that either Party is terminating more than 52.5 percent of the Parties' total terminated minutes for Local Traffic, either Party may notify the other that

mutual compensation will commence pursuant to the rates set forth in <u>Appendix B</u> of this Agreement and following such notice it shall begin and continue for the duration of the Term of this Agreement unless otherwise agreed. Nothing in this Section 3.2.2 shall be interpreted to (i) change compensation set forth in this Agreement for traffic or services other than Local Traffic, including but not limited to internetwork facilities, access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic other than Local Traffic for the purpose of compensation under the Bill-and-Keep Arrangement described in this Section 3.2.2, except as set forth in Section 3.1 above.

- 3.3 <u>Tandem Switching Services</u>. The Parties will provide tandem switching for traffic between the Parties' end offices subtending each other's access tandem, as well as for traffic between either Party's end users and any Third Party which is interconnected to the other Party's access tandems as follows:
 - 3.3.1 The originating Party will compensate the tandem Party for each minute of originated tandem switched traffic which terminates to third party (e.g., other ILEC, or wireless service provider). The applicable rate for this charge is identified in <u>Appendix B</u>.
 - 3.3.2 The originating Party also assumes responsibility for compensation to the company which terminates the call.
 - 3.3.3 <u>Services Provided</u>. Tandem switching services provided pursuant to this Section 3.3 shall include the following:
 - (a) signaling;
 - (b) screening and routing;
 - (c) recording;
 - (d) access to AIN functionality, in accordance with the terms and conditions of Article IV of this Agreement;
 - (e) access to operator services and directory assistance, in accordance with the terms and conditions of a separate agreement;
 - (f) support of all trunk interconnections;
 - (g) access to PSAPs, in accordance with the terms and conditions of a separate agreement; and
 - transit of traffic to and from third parties in accordance with the terms and conditions of this section.
- 3.4 Inter-Tandem Switching. The Parties will only use inter-tandem switching for the transport and termination of traffic originating on each other's network at and after such time as either (i) both Parties have agreed to and fully implemented an existing intraLATA toll compensation mechanism such as IntraLATA Terminating Access Compensation (ITAC) or a functional equivalent thereof or (ii) generally accepted industry signaling standards and AMA record standards support the recognition of multiple tandem switching events.

4. Direct Network Interconnection

4. <u>Direct Network interconnection</u>

- 4.1 <u>Network Interconnection Architecture</u>. Where the Parties mutually agree to directly interconnect their respective networks, interconnection will be as specified in the following sub-sections.
 - 4.1.1 Subject to mutual agreement, the Parties may use the following types of network facility interconnection, using such interface media as are (i) appropriate to support the type of interconnection requested and (ii) available at the facility at which interconnection is requested.
 - (a) A Mid-Span Meet within an existing GTE or **ILEC exchange area whereby the Parties mutually agree to jointly plan and engineer their facility "IP" at a designated manhole or junction location. The "IP" is the demarcation between ownership of the transmission facility. Each party is individually responsible for its incurred costs in establishing this arrangement.
 - (b) A special access arrangement and/or switched transport terminating at a GTE Wire Center subject to the rates, terms and conditions contained in GTE's applicable tariffs. These facilities will meet the standards set forth in such tariffs.
- 4.2 <u>Compensation</u>. The Parties agree to the following compensation for internetwork facilities, depending on facility type.
 - 4.2.1 Mid-Span Meet: The Parties may mutually agree to bear their own cost of transport from the "IP" to each Party's initial point of switching. Absent such agreement the method of compensation will be common transport or dedicated transport at the rates listed in <u>Appendix B</u>. If the dedicated transport option is chosen, each Party's charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by the other Party. The Parties will negotiate an initial factor(s) representative of the proportionate share of traffic exempt from local compensation. This factor will be updated quarterly in a like manner or as often as the Parties otherwise agree. Once the traffic that is exempt from local compensation can be measured, the actual exempt traffic will be used rather than the above factor.

4.3 <u>Trunking Requirements</u>.

- 4.3.1 The Parties agree to establish trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including end offices, tandems, 911 routing switches, and directory assistance/operator service switches. The Parties will mutually agree where one-way or two-way trunking will be available.
 - 4.3.1.1 Each Party agrees to route traffic only over the proper jurisdictional trunk group.
 - 4.3.1.2 Each Party shall only deliver traffic over the local interconnection trunk groups to the other Party's access tandem for those publicly-dialable NXX Codes served by end offices that directly subtend the access tandem or to those wireless service providers that directly subtend the access tandem.
 - 4.3.1.3 Neither party shall route Switched Access Service traffic over local interconnection trunks, or local traffic over Switched Access Service trunks.

- 4.3.2 Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, (SONET where technically available) and shall be jointly-engineered to an objective P.01 grade of service.
- 4.3.3 The Parties agree to use diligent efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.
- 4.3.4 Signaling System 7 (SS7) Common Channel Signaling will be used to the extent that such technology is available.
- 4.3.5 The Parties agree to offer and provide to each other B8ZS Extended Superframe Format ("ESF") facilities, where available, capable of voice and data traffic transmission.
- 4.3.6 The Parties will support intercompany 64kbps clear channel where available.
- 5. Indirect Network Interconnection. Neither Party shall deliver traffic destined to terminate at the other Party's end office via another LEC's end office. In addition, except as provided in 3.4 above, neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem. Either Party may deliver traffic destined to terminate at the other Party's end office via another LEC's tandem provided that the Parties have established compensation agreement(s) specific to this arrangement.
- 6. Number Resources.
- Number Assignment. Nothing in this Agreement shall be construed to, in any manner, limit or otherwise adversely impact either Party's right to employ or to request and be assigned any NANP number resources including, but not limited to, Central Office (NXX) Codes pursuant to the Central Office Code Assignment Guidelines. Any request for numbering resources by either Party shall be made directly to the NANP Number Plan Administrator. Except with respect to those areas in which GTE is the NANP Number Plan Administrator, GTE shall not be responsible for the requesting or assignment of number resources to **ILEC. The Parties agree that disputes arising from numbering assignment shall be arbitrated by the NANP Number Plan Administrator.
- 6.2 <u>Code and Numbers Administration</u>. The Parties will comply with code administration requirements as prescribed by the FCC, the Commission, and accepted industry guidelines. Where GTE is the NANP Number Plan Administrator, GTE will administer number resources, and charge for such administration in accord with applicable rules and regulations. GTE will administer numbering resources in a competitively neutral manner, and process requests for NXX codes in a timely manner and in accord with industry standards.
- 6.3 <u>Programming Switches</u>. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide ("LERG") guidelines to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- 7. Common Channel Signaling.
- 7.1 <u>Service Description</u>. The Parties will provide Common Channel Signaling ("CCS") to one another via Signaling System 7 ("SS7") network interconnection, where and as available, in the manner specified in FCC Order 95-187, in conjunction with all traffic exchange trunk groups. The Parties will cooperate on

the exchange of all appropriate SS7 messages for mandatory EAS call set-up signaling, including ISUP and Transaction Capabilities Application Part ("TCAP") messages to facilitate full interoperability of all CLASS Features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as data base queries) will be jointly negotiated and agreed upon.

- 7.2 <u>Signaling Parameters</u>. All SS7 signaling parameters will be provided in conjunction with traffic exchange trunk groups, where and as available. These parameters include Automatic Number Identification ("ANI"), Calling Party Number ("CPN"), Privacy Indicator, calling party category information, originating line information, charge number, etc. Also included are all parameters relating to network signaling information, such as Carrier Information Parameter ("CIP"), wherever such information is needed for call routing or billing.
- 7.3 Privacy Indicators. Each Party will honor all privacy indicators as required under applicable law.
- Third Party Signaling Providers. Either Party may choose a third-party SS7 signaling provider to transport messages to and from either of their SS7 networks. In that event, the contracting Party must present a letter of agency to the other Party, prior to the testing of the interconnection, authorizing the third party to act on behalf of the contracting Party in transporting SS7 messages to and from the other Party. The contracting Party must interconnect with the other Party's STP(s) serving the geographic area in which the traffic exchange trunk groups are interconnected.
- 7.5 <u>Multi-Frequency Signaling</u>. In the case where CCS is not available, in band Multi-Frequency ("MF"), wink start, E & M channel associated signaling with ANI will be provided by the Parties. Network signaling information, such as CIC/OZZ, will be provided wherever such information is needed for call routing or billing.

ARTICLE V ADDITIONAL SERVICES AND COORDINATED SERVICE ARRANGEMENTS

The services listed below may not apply to the current business and network arrangement between the Parties. If such service arrangements do exist, they will be addressed in separate agreements.

- 1. <u>911/E911 Arrangements</u>.
 - Details of 911/E911 arrangements, if applicable, are covered in a separate agreement.
- Directory Assistance (DA) and Operator Services (OS). At **ILEC's request, GTE will provide to **ILEC directory assistance services and/or operator services pursuant to separate contracts to be negotiated in good faith between the Parties.
- 3. <u>Directory Assistance Listing Information</u>. Both Parties will continue to provide directory assistance listing information to the other Party pursuant to the current agreements, if applicable.
- 4. <u>Directory Listings and Directory Distribution</u>. Details of directory listings and directory distribution arrangements, if applicable, are covered in separate agreements.
- 5. Busy Line Verification and Busy Line Verification Interrupt. Each Party shall establish procedures whereby its operator assistance bureau will coordinate with the operator assistance bureau of the other Party to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. Each Party shall route BLV and BLVI inquiries over separate inward operator services trunks. Each Party's operator assistance bureau will only verify and/or interrupt the call and will not complete the call of the end user initiating the BLV or BLVI. Each Party shall charge the other for the BLV and BLVI services at the rates contained in access tariffs.
- 6. <u>Access to Poles, Ducts, Conduits and Rights of Way</u>. To the extent lawfully required, the Parties shall each afford to the other access to poles, ducts, conduits and rights-of-way it owns or controls on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's tariff and/or standard agreements.

IN WITNESS WHEREOF, each Party has executed this Agreement to be effective as of the date first above written.

GTE NO	ORTH INCORORATED	OGDEN TELEPHONE COMPANY By	
Ву			
Name_	Carol Rutgers	Name	
Title	Connie Nicholas AVP Wholesale Markets Interconnection	Title	
Date		Date	

APPENDIX A LOCAL CALLING AREAS

Date July 1, 1998

GTE Exchanges Ogden Exchanges

Adrian Ogden

APPENDIX B RATES AND CHARGES FOR TRANSPORT AND TERMINATION OF TRAFFIC

<u>General</u>. The rates contained in this <u>Appendix B</u> are the rates as defined in Article IV and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Specific. The Parties shall assume that Local Traffic is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a traffic study be performed, for the purpose of determining the relative balance of traffic, no more frequently than once a quarter. Should such traffic study indicate that either Party is terminating more than 52.5 percent of the Parties' total terminated minutes for Local Traffic, either Party may request that mutual compensation commence. Furthermore, regardless of the results of any traffic study or the request of or failure to request a traffic study by either or both Parties, either Party may terminate the Bill-and-Keep Arrangement established pursuant to this appendix with twelve months notice. Nothing in this appendix shall be interpreted to (i) change compensation set forth in this Agreement for traffic or services other than Local Traffic, or (ii) allow either Party to aggregate traffic other than Local Traffic for the purpose of compensation under the Bill-and-Keep Arrangement described in this appendix.

If either Party is terminating more than 52.5 percent of the Parties' total terminated minutes for Local Traffic and either Party requests mutual compensation to commence, the following compensation terms and conditions apply:

Each Party will bill the other Party as appropriate:

- A. The Local Interconnection rate element that applies to Local Traffic on a minute of use basis that each Party switches for termination purposes at its wire centers. The local interconnection rate for GTE is **\$0.00567** and for Ogden Telephone Company is **\$0.019047**.
- B. The Tandem Switching rate element that applies to tandem routed Local Traffic on a minute of use basis. This rate includes tandem transport, but does not include the local interconnection charge. The tandem switching rate for GTE is **\$0.0014228**.
- C. The Common Transport Facility rate element that applies to tandem routed Local Traffic on a per minute/per mile basis. The Common Transport Facility rate for GTE is **\$0.0000025**.
- D. The Common Transport Terminal element that applies to tandem routed Local Traffic on a per minute/per termination basis. The Common Transport Termination rate for GTE is **\$0.000930**.