

AMENDMENT NO. 1
TO THE PAGING INTERCONNECTION AGREEMENT
BETWEEN
SOUTHWESTERN BELL TELEPHONE, L. P. D/B/A SBC TEXAS
AND
AUTOPHONE OF LAREDO, INC.

WHEREAS, Autophone of Laredo, Inc. ("Autophone of Laredo") is adopting the provisions of the Paging Interconnection Agreement between Southwestern Bell Telephone, L. P. d/b/a SBC Texas ("SBC Texas") and Arch Wireless Operating Company, Inc. ("Arch Wireless");

WHEREAS, Autophone of Laredo and SBC Texas agreed to exempt from the adoption request the rates, terms and conditions set forth in the General Terms and Conditions Section 7 to such Paging Interconnection Agreement ("Agreement") relating to reciprocal compensation, including any legitimately related terms;

WHEREAS, SBC Texas and Autophone of Laredo are hereby filing this amendment ("Amendment") to incorporate rates, terms and conditions relating to intercarrier compensation into the Parties' Agreement; and

WHEREAS, this filing will become effective upon approval by the Public Utility Commission of Texas (PUC-TX).

NOW THEREFORE, the Parties agree as follows:

I. The Agreement is hereby amended to delete the following section:

2.1.3.1 The Parties shall deal with Type 1 interfaces between them as set forth in this Section

2.1.3.1.1 The Parties acknowledge that, on a going forward basis, they each desire to minimize the use of Type 1 interfaces with the goal of ultimately eliminating this method of connection, except as otherwise provided herein or where otherwise mutually agreed.

2.1.3.1.2 Carrier agrees to take the following steps to reduce the volume of traffic between the Parties using Type 1 interfaces: a). Carrier shall identify all existing full NPA-NXXs assigned to it which are established as Type 1 NPA-NXXs and shall convert those NPA-NXXs so they home on Tandem Switches within six (6) months of the Effective Date. and b) Carrier, shall not provide to its Customers new service using Type 1 numbers unless, (i) there are not

adequate Type 2A numbers to assign to Customers for new service, or (ii) the Parties mutually agree that new service may be provided using Type 1 numbers.

2.1.3.1.3 After receiving a written request from Carrier to convert full Type 1 NPA-NXXs, and in cooperation with Carrier, Telco will assist Carrier in achieving the transition of those numbers by: (i) performing switch programming necessary to convert Carrier's NPA-NXXs from Type 1 to Type 2A NPA-NXXs; (ii) re-trunking Type 1 Telco to Carrier from the Telco End Office Switch to the appropriate Telco Tandem Switch for delivery to Carrier's POI; (iii) designating as Type 2 traffic the traffic which is currently designated as Type 1 and routing that traffic to the appropriate Carrier Trunk Groups (whether existing or new) as further defined under an implementation plan; (iv) rating Carrier's Type 1 NPA-NXXs at a Telco End Office Switch, and (v) rerouting formerly Type 1 Telco to Carrier traffic to the Telco Tandem Switch that the End Office rate center subtends.

2.1.3.1.4 Charges for Type 1 to Type 2 conversion shall be waived for the Term of this agreement

II. The Agreement is hereby amended to add the following negotiated language as Section 7 to the underlying Agreement:

7. COMPENSATION FOR LOCAL AUTHORIZED SERVICES INTERCONNECTION

7.1 Compensation rates for Interconnection are contained in Appendix – Pricing (Paging).

7.2 Compensation for Local Calls Transport and Termination. Subject to the limitations set forth below in Section 7.3, Telco shall compensate Carrier for the transport and termination of Local Calls originating on Telco's network and terminating on Carrier's network. The rates for this compensation are set forth in Appendix - Pricing (Paging).

7.3 Traffic Not Subject to Compensation for Local Authorized Services Interconnection

7.3.1 Exclusions. Compensation that applies solely to the transport and termination of Local Calls, shall not include, without limitation, the following:

7.3.1.1 Non-CMRS traffic (traffic that is not intended to originate or terminate to a mobile station using CMRS frequency);

7.3.1.2 Toll-free calls (e.g., 800/888), Information Services Traffic, 500 and 700 calls;

7.3.1.3 Transit Traffic;

7.3.1.4 InterMTA traffic;

7.3.1.4 Any other type of traffic found to be exempt from compensation by the FCC or the Commission.

7.3.2 The Parties agree that ESP/ISP traffic between them, if any, is presently *de minimis*; however, should intercarrier ESP/ISP traffic become greater than *de minimis*, it will be treated for compensation purposes at the same rate and rate structure as Local Calls. No additional or separate measurement or tracking of ISP bound traffic shall be necessary.

7.4 Measuring Calls as Local Calls. In order to measure whether traffic comes within the definition of Local Calls for purposes of calculating compensation, and for such purpose only, the Parties agree as follows:

7.4.1 For Telco, the origination point of a call shall be the End Office Switch that serves the calling party at the beginning of the call.

7.4.2 For Carrier, the termination point of a call shall be the location of the Paging Terminal or POI, which serves the called party at the beginning of the call.

7.5 Billing And Recording

7.5.1 Carrier will maintain sufficient records of all calls delivered to it by Telco for termination

7.5.2 To the extent required by Section 10, Carrier will record all pages it terminates. Each Party will perform the necessary call recording and rating for its respective portions of an interchanged call. Each Party shall be responsible for billing and collection from its respective Customers. Each Party shall use procedures that record and measure actual usage for purposes of providing invoices to the other Party pursuant to this Agreement.

III. The Appendix Pricing (Paging) - Texas is amended to add the rates for transport and termination set forth and is attached hereto which is incorporated herein by this reference.

IV. The Appendix ACNA is amended to replace the Carrier specific information set forth as follows with the information and is attached hereto which is incorporated herein by this reference.

IV. In entering into this Amendment and carrying out the provisions herein, neither Party waives, but instead expressly reserves, all of its rights, remedies and arguments with respect to any orders, decisions, legislation or proceedings and any remands thereof and any other federal or state regulatory, legislative or judicial action(s), including, without limitation, its intervening law rights relating to the following actions, which the Parties have not yet fully incorporated into this Agreement or which may be the subject of further government review: the United States Supreme

Court's opinion in *Verizon v. FCC*, et al, 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) ("USTA decision"); the FCC's Triennial Review Order, released on August 21, 2003, In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 (FCC 03-36) and the FCC's Biennial Review Proceeding which the FCC announced, in its Triennial Review Order, is scheduled to commence in 2004; the FCC's Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001) ("ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and as to the FCC's Notice of Proposed Rulemaking on the topic of Intercarrier Compensation generally, issued In the Matter of Developing a Unified Intercarrier Compensation Regime, in CC Docket 01-92 (Order No. 01-132), on April 27, 2001; and the Public Utilities Act of Illinois, which was amended on May 9, 2003 to add Sections 13-408 and 13-409, 220 ILCS 5/13-408 and 13-409, and enacted into law ("Illinois Law") (collectively "Government Actions"). Notwithstanding anything to the contrary in this Agreement (including this and any other amendments to the Agreement), SBC California shall have no obligation to provide UNEs, combinations of UNEs, combinations of UNE(s) and CLEC's own elements or UNEs in commingled arrangements beyond those required by the Act, including the lawful and effective FCC rules and associated FCC and judicial orders. The preceding includes without limitation that SBC California shall not be obligated to provide combinations (whether considered new or existing) or commingled arrangements involving SBC California network elements that do not constitute required UNEs under 47 U.S.C. § 251(c)(3) (including those network elements no longer required to be so unbundled), or where UNEs are not requested for permissible purposes. Notwithstanding anything to the contrary in the Agreement and this Amendment and except to the extent that SBC California has adopted the FCC ISP terminating compensation plan ("FCC Plan") in an SBC California state in which this Agreement is effective, and the Parties have incorporated rates, terms and conditions associated with the FCC Plan into this Agreement, these rights also include but are not limited to SBC California's right to exercise its option at any time to adopt on a date specified by SBC California the FCC Plan, after which date ISP-bound traffic will be subject to the FCC Plan's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this Agreement. If any action by any state or federal regulatory or legislative body or court of competent jurisdiction invalidates, modifies, or stays the enforcement of laws or regulations that were the basis or rationale for any rate(s), term(s) and/or condition(s) ("Provisions") of the Agreement and this Amendment and/or otherwise affects the rights or obligations of either Party that are addressed by the Agreement and this Amendment, specifically including but not limited to those arising with respect to the Government Actions, the affected Provision(s) shall be immediately invalidated, modified or stayed consistent with the action of the regulatory or legislative body or court of competent jurisdiction upon the written request of either Party ("Written Notice"). In addition, to the extent this Agreement is in effect in Illinois, and to the extent applicable, the Parties agree that any ICC orders implementing the Illinois Law, including, without limitation, the ICC Rates, shall automatically apply to this Agreement (for the state of Illinois only) as of the effective date of any such order(s) upon Written Notice, and as soon as practical thereafter, SBC Illinois shall begin billing CLEC the ICC Rates; provided, however, the Parties acknowledge and agree that no later than sixty (60) days from the Written Notice, the Parties will execute a conforming Amendment to this Agreement so that the Agreement accurately reflects the ICC Rates and SBC Illinois will issue any adjustments, as needed, to reflect that the

ICC Rates became effective between the Parties as of the effective date of the applicable ICC order(s). With respect to all other Written Notices hereunder, the Parties shall have sixty (60) days from the Written Notice to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications to the Agreement. If the Parties are unable to agree upon the conforming modifications required within sixty (60) days from the Written Notice, any disputes between the Parties concerning the interpretation of the actions required or the provisions affected by such order shall be resolved pursuant to the dispute resolution process provided for in this Agreement.

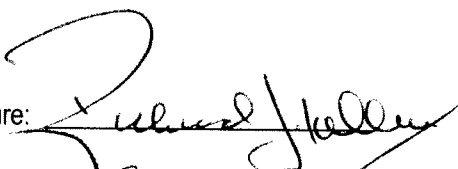
- V. EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.
- VI. This Amendment is effective only for the term of the Interconnection Agreement.
- VII. This Amendment shall be filed with and shall be subject to approval by the Commission.

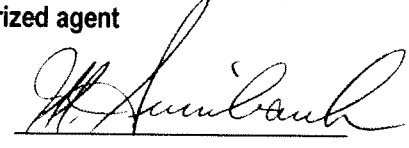
IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed on the date shown below by their respective duly authorized representatives.

Autophone of Laredo, Inc.

Southwestern Bell Telephone, L. P. d/b/a SBC
Texas

By SBC Telecommunications, Inc.,
Its authorized agent

Signature: 

Signature: 

Print Name: RICHARD J. KELLEY

Print Name: Mike Auinbauh

Title: V.P. SALES

Title: ^{For}President - Industry Markets

Date Signed: 2/19/04

Date Signed: FEB 27 2004

NEGOTIATED RECIPROCAL COMPENSATION APPENDIX PRICING
(PAGING) TEXAS

1. The rates for transport and termination shall be as follows:

Telco-to-Carrier Compensation Rate:

\$0.0013 per paging call

APPENDIX ACNA

RRM	CHM/PGN
CUC	PBK
MMD	PDG
RMI	PKO
MPA	PLA
BQP	POC
BKR	PPJ
MPI	PPO
DZP	PPW
RMC	PSD
MBN	PLL
INC	PNK
DPE	PGK
MEN	PNO
MLB	PWK
USM	UPN
UWH	PDL
MEM	PNF
MMV	PPN
MBC	PPH
IKP	PNP
MBA	PYK
MBC	PRE
RHA	PCH
UWP	PWG
	PRF
MRD	

PAGING INTERCONNECTION AGREEMENT

by and between

AUTOPHONE OF LAREDO, INC.

and

**ILLINOIS BELL TELEPHONE COMPANY D/B/A SBC ILLINOIS,
INDIANA BELL TELEPHONE COMPANY INCORPORATED D/B/A SBC
INDIANA,
MICHIGAN BELL TELEPHONE COMPANY D/B/A SBC MICHIGAN,
THE OHIO BELL TELEPHONE COMPANY D/B/A SBC OHIO,
WISCONSIN BELL INC. D/B/A SBC WISCONSIN,
NEVADA BELL TELEPHONE COMPANY D/B/A SBC NEVADA,
PACIFIC BELL TELEPHONE COMPANY D/B/A SBC CALIFORNIA,
THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY,
SOUTHWESTERN BELL TELEPHONE, L.P. D/B/A SBC ARKANSAS, SBC
KANSAS, SBC MISSOURI, SBC OKLAHOMA, AND/OR SBC TEXAS**

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Appendix – State (Paging)

Appendix – Arbitration Locations (Paging)

Appendix – Pricing (Paging)

Appendix-ACNA

PAGING INTERCONNECTION AGREEMENT

This Agreement is by and between Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, Wisconsin Bell Inc. d/b/a SBC Wisconsin, Nevada Bell Telephone Company d/b/a SBC Nevada, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma, and/or SBC Texas ("Telco") and Autophone of Laredo, Inc. ("Carrier") (collectively, the "Parties") for Interconnection for a Commercial Mobile Radio Services provider under Sections 251 and 252 of the Act.

WHEREAS, Telco is a Local Exchange Carrier authorized to provide Telephone Exchange Service and Exchange Access in all or portions of the State; and

WHEREAS, Carrier holds authority from the Federal Communications Commission to provide one-way paging and/or narrowband PCS in the State; and

WHEREAS, the Parties desire to enter into an agreement for the interconnection of their respective networks within the portions of the State in which both Parties are authorized to operate and the delivery of traffic for the provision of telecommunications service pursuant to the Telecommunications Act of 1996 and other applicable federal, state and local laws;

WHEREAS, in entering into this MFN Agreement, Southwestern Bell Telephone, L.P. d/b/a SBC Texas does not waive, but instead expressly reserves, all of its rights, remedies and arguments with respect to any orders, decisions, legislation or proceedings and any remands thereof and any other federal or state regulatory, legislative or judicial action(s), including, without limitation, its intervening law rights (including intervening law rights asserted by either Party via written notice as to the Separate Agreement) relating to the following actions, which the Parties have not yet fully incorporated into this MFN Agreement or which may be the subject of further government review: the United States Supreme Court's opinion in *Verizon v. FCC*, et al, 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002); the FCC's Triennial Review Order, released on August 21, 2003, In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 (FCC 03-36) and the FCC's Biennial Review Proceeding which the FCC announced, in its Triennial Review Order, is scheduled to commence in 2004; the FCC's Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; and the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and as to the FCC's Notice of Proposed Rulemaking on the topic of Intercarrier Compensation generally, issued In the Matter of Developing a Unified Intercarrier Compensation Regime, in

CC Docket 01-92 (Order No. 01-132), on April 27, 2001 (collectively "Government Actions"). Notwithstanding anything to the contrary in this MFN Agreement (including any amendments to this MFN Agreement), **SBC Texas** shall have no obligation to provide UNEs, combinations of UNEs, combinations of UNE(s) and Carrier's own elements or UNEs in commingled arrangements beyond those required by the Act, including the lawful and effective FCC rules and associated FCC and judicial orders. Notwithstanding anything to the contrary in this MFN Agreement and except to the extent that **SBC Texas** has adopted the FCC ISP terminating compensation plan ("FCC Plan") in Texas in which this MFN Agreement is effective, and the Parties have incorporated rates, terms and conditions associated with the FCC Plan into this MFN Agreement, these rights also include but are not limited to **SBC Texas**' right to exercise its option at any time to adopt on a date specified by **SBC Texas** the FCC Plan, after which date ISP-bound traffic will be subject to the FCC Plan's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this MFN Agreement. It is **SBC Texas**' position that this MFN Agreement is subject to the change of law provisions permitted under the Federal Rules except to the extent otherwise expressly provided in the MFN Agreement and also is subject to any appeals involving the MFN Agreement. If any action by any state or federal regulatory or legislative body or court of competent jurisdiction invalidates, modifies, or stays the enforcement of laws or regulations that were the basis or rationale for any rate(s), term(s) and/or condition(s) ("Provisions") of the MFN Agreement and/or otherwise affects the rights or obligations of either Party that are addressed by the MFN Agreement, specifically including but not limited to those arising with respect to the Government Actions, the affected Provision(s) shall be immediately invalidated, modified or stayed consistent with the action of the regulatory or legislative body or court of competent jurisdiction upon the written request of either Party ("Written Notice"). In such event, it is **SBC Texas**' position and intent that the Parties immediately incorporate changes from the Separate Agreement, made as a result of any such action into this MFN Agreement. Where revised language is not immediately available, it is **SBC Texas**' position and intent that the Parties shall expend diligent efforts to incorporate the results of any such action into this MFN Agreement on an interim basis, but shall conform this MFN Agreement to the Separate Agreement, once such changes are filed with the appropriate state commission. With respect to any Written Notices hereunder, Any disputes between the Parties concerning the interpretations of the actions required or the provisions affected shall be handled under the Dispute Resolution Procedures set forth in this MFN Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

- 1.1 For purposes of this Agreement, including any and all Appendices and other attachments, the terms set forth below are defined as follows. Unless the context clearly indicates otherwise, any term defined or used in the singular will include the plural. The words "will" and "shall" are used interchangeably throughout this Agreement and the use of either connotes a mandatory requirement. The use of

one or the other will not mean a different degree of right or obligation for either Party. A defined word intended to convey its special meaning is capitalized when used. Other terms that are capitalized and not defined in this Agreement will have the meaning in the Act or, in the absence of their inclusion in the Act, their customary usage in the telecommunications industry as of the Effective Date of this Agreement.

- 1.2 "Act" means the Communications Act of 1934, 47 U.S.C. § 151, et seq., as amended by the Telecommunications Act of 1996, and as interpreted from time to time in the duly authorized rules, regulations and orders of the FCC or the Commission and as further interpreted in any judicial review of such rules, regulations and orders.
- 1.3 "Affiliate" is as defined in the Act.
- 1.4 "Applicable Laws" means all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, tariffs and approvals, including without limitation those relating to the environment or health and safety, of any Governmental Authority that apply to the Parties or the subject matter of this Agreement.
- 1.5 "Authorized Services" means those one-way paging and narrowband PCS (*i.e.*, one-way Telco-to-Carrier) services which Carrier may lawfully provide pursuant to Applicable Laws, including the Act, and that are considered to be CMRS.
- 1.6 "Business Day" means Monday through Friday, excluding holidays on which Telco does not provision new retail services and products.
- 1.7 "CCS" means Common Channel Signaling, which is the signaling system developed for use between switching systems with stored-program control, in which all of the signaling information for one or more Trunk Groups is transmitted over a dedicated high-speed data link rather than on a per-Trunk basis and, unless otherwise agreed by the Parties, the CCS used by the Parties shall be Signaling System 7 ("SS7").
- 1.8 "Central Office Switch" means a switch, including, but not limited to an End Office Switch, a Tandem Switch and/or a combination End Office/Tandem Switch.
- 1.9 "Claim" means any pending or threatened claim, action, proceeding or suit.
- 1.10 "CMRS" means Commercial Mobile Radio Service as defined by the FCC and the Commission.

- 1.11 "Commission" means the applicable State agency with regulatory authority over Telecommunications.
- 1.12 "Customer" means the end user purchaser of Telecommunications Services from Telco or Carrier. As used herein, the term "Customer" does not include any of the Parties to this Agreement with respect to any item or service obtained under this Agreement.
- 1.13 "Day" means calendar Day unless "Business Day" is specified.
- 1.14 "End Office Switch" is a switch from which Telco's Customers' Exchange Services are directly connected and offered.
- 1.15 "ESP/ISP" means a provider of enhanced services (defined at 47 C.F.R. §64.702(a)) and/or information services (defined in the Act at Section 3(20)), and includes an Internet Service Provider, which is an entity that provides its customers the ability to obtain on-line information through the Internet. See In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Declaratory Ruling, paragraph 4.
- 1.16 "Exchange Service" means Telephone Exchange Service as defined in the Act.
- 1.17 "Facility" means the wire, line, circuit, and/or cable used to transport traffic between the Parties' respective networks.
- 1.18 "FCC" means the Federal Communications Commission.
- 1.19 "Governmental Authority" means any federal, state, local, foreign, or international court, government, department, commission, board, bureau, agency, official, or other regulatory, administrative, legislative, or judicial authority with jurisdiction over the subject matter at issue.
- 1.20 "Intellectual Property" means copyrights, patents, trademarks, trade secrets, mask works and all other intellectual property rights.
- 1.21 "Interconnection" is as defined in the Act.
- 1.22 "IXC" means Interexchange Carrier, a carrier other than a CMRS provider or a LEC that provides, directly or indirectly, interLATA and /or intraLATA for hire Telecommunications Service.
- 1.23 "InterMTA Traffic" means traffic to that, at the beginning of the call, originates on Telco's network in one MTA and terminates on Carrier's network in another MTA.

- 1.24 "LATA" means Local Access and Transport Area as defined in the Act.
- 1.25 "LEC" means a Local Exchange Carrier as defined in the Act.
- 1.26 "LERG" means Local Exchange Routing Guide, a Telcordia Technologies, Inc. Reference Document used by Telecommunications Carriers to identify NPA-NXX routing and homing information as well as network element and equipment designations.
- 1.27 "Local Calls" for the purpose of compensation, are Authorized Services completed calls that originate on Telco's network, that terminate on Carrier's network, that are exchanged directly between the Parties and that, at the beginning of the call, originate and terminate within the same MTA.
- 1.28 "Loss" or "Losses" means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys' fees).
- 1.29 "MTA" means "Major Trading Area" as defined by 47 C.F.R. § 24.202(a).
- 1.30 "NANP" means North American Numbering Plan, the system of telephone numbering employed in the United States, Canada, and certain Caribbean countries.
- 1.31 "NPA" means Numbering Plan Area, referred to as an area code and the three-digit indicator that is defined by the "A", "B" and "C" digits of a 10-digit telephone number within the NANP.
- 1.32 "NXX" means the three-digit switch entity indicator that is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX contains 10,000 station numbers.
- 1.33 "Paging Terminal" means the mechanism that validates the call, receives the call back number or message, and transmits the call to the pager of the called party via radio broadcast through one or more radio transmitter sites.
- 1.34 "Party" means either Telco or Carrier. "Parties" means both Telco and Carrier.
- 1.35 "POI" means a Point of Interconnection, or the physical location at which the Parties' networks meet for the purpose of establishing Interconnection. POIs include a number of different technologies and technical interfaces based on the Parties mutual agreement.

- 1.36 "Rate Center" means the specific geographic point and corresponding geographic area that have been identified by a LEC. NPA-NXXs that have been assigned to a Telecommunications Carrier for its provision of Exchange Services are associated with specific Rate Centers for the purpose of rating calls.
- 1.37 "Rating Point" means the vertical and horizontal ("V&H") coordinates assigned to a Rate Center and associated with a particular telephone number for rating purposes. The Rating Point must be in the same LATA as the Routing Point of the associated NPA-NXX as designated in the LERG, but need not be in the same location as that Routing Point.
- 1.38 "Routing Point" means the V&H coordinates that a Telecommunications Carrier has assigned as the destination for traffic to a certain NPA-NXX used for the Telecommunications Service it provides to its Customers. The Routing Point need not be the same as the Rating Point, but it must be in the same LATA as the Rating Point. Central Office Switches are Routing Points for traffic to end users identified by numbers drawn from NPA-NXX designations, as stated in the LERG. Where Carrier has not established Routing Points for its Dedicated NPA-NXXs in its own network, the Routing Point shall be the Telco Tandem Switch where traffic to Telco NXXs in the same NPA is homed.
- 1.39 "SAC Code" means Service Access Code, a non-geographic NPA typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas, for example, 500, Toll Free Service NPAs (8YY), 700 and 900.
- 1.40 "State" means the state(s) individually for which the Parties intend to Interconnect under this Agreement, as listed on Appendix – State (Paging). Although this Agreement may apply to more than one state, it shall be applied separately as to each covered state and tariff references shall be to the tariffs that apply to operations in the particular state.
- 1.41 "Switched Access Services" means an offering of access to Telco's network for the purpose of the origination or the termination of traffic from or to Exchange Service customers in a given area pursuant to a Switched Access Services tariff. Switched Access Services include: Feature Group A ("FGA"), Feature Group B ("FGB"), Feature Group D ("FGD"), Toll Free Service and 900 access.
- 1.42 "Tandem Switch" means an access tandem switch or other tandem switch equipped to provide Interconnection between CMRS providers and LECs that is used to connect and switch traffic between and among Central Office Switches and other Telecommunications Carriers' networks for the purpose of providing Exchange Service and Switched Access Services.

- 1.43 "Telecommunications Carrier" is as defined in the Act.
- 1.44 "Telecommunications Service" is as defined in the Act.
- 1.45 "Toll Free Service" means service provided with a dialing sequence that invokes toll-free, (i.e., 800-like) service processing. Toll Free Service includes calls to the Toll Free Service 8YY NPA SAC codes.
- 1.46 "Transiting Service" means switching and intermediate transport of traffic between two Telecommunications Carriers, one of which is a Party to this Agreement and one of which is not, carried by the other Party to this Agreement that neither originates nor terminates that traffic on its network but which instead acts as an intermediary.
- 1.47 "Transit Traffic" means traffic handled by a Telecommunications Carrier when providing Transiting Service.
- 1.48 "Trunk" or "Trunk Group" means the switch port interfaces(s) used and the communications path created to connect Carrier's network with Telco's network for the purpose of exchanging Authorized Services Local Calls for the purposes of Interconnection.
- 1.49 "Trunk Side" refers to a Central Office Switch interface that is capable of, and has been programmed to treat the Facility as, connecting to another switching entity, for example, another Central Office Switch. A Trunk Side interface offers those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.
- 1.50 "Type 1" means a type of Trunk interface as technically defined in Telcordia Technologies, Inc. Technical Reference GR-145-CORE and TA-NPL-000912 as Trunk Side Message Trunk (TSMT) and as provided in accordance with this Agreement. Type 1 is a two or four wire one way or two way Trunk connection between Carrier's network and Telco's End Office Switch.
- 1.51 "Type 2A" means a type of Trunk interface as technically defined in Telcordia Technologies, Inc. Technical Reference GR-145-CORE and as provided in accordance with this Agreement.
- 1.52 "Type 2B" means a type of Trunk interface as technically defined in Telcordia Technologies, Inc. Technical Reference GR-145-CORE and as provided in accordance with this Agreement.

- 1.53 "Wire Center" denotes a building or space within a building that serves as an aggregation point on a given Telecommunications Carrier's network, where transmission Facilities are connected and switched. Telco's Wire Center can also denote a building in which one or more Central Office Switches, used for the provision of Exchange Services and Switched Access Services, are located.

2. INTERCONNECTION

- 2.1 Technical Provisions. This Section provides for the physical connection of Carrier's and Telco's networks within the State for the transmission and routing of Telco to Carrier Authorized Services traffic consistent with the requirements of 47 C.F.R. § 51.305. Telco and Carrier will physically connect their networks and exchange traffic originating from or terminating to the other Party's Customers over their networks in connection with Carrier's Authorized Services in accordance with the provisions of this Agreement.

2.1.1 Authorized Services Interconnection. Shall be available at the trunk side of a Telco End Office Switch via Type 1 and, may be available, in some instances, via Type 2B. Authorized Services Interconnection shall be available at the trunk connection points for a Telco Tandem Switch via Type 2A Authorized Services Interconnection. Authorized Services Interconnection shall also be provided at other technically feasible points in Telco's network at the request of Carrier and subject to the negotiation of acceptable provisioning arrangements and compensation arrangements that will provide for the recovery of Telco's costs of providing such Interconnection to the extent that such recovery is due. The Parties will attach or incorporate as amendments to this Agreement technical descriptions, and if required, descriptions of associated compensation arrangements to cover any such additional Interconnection.

2.1.2 Type 2. Carrier will obtain from the NXX Code administrator one or more full NXX codes consistent with established industry guidelines for use with Type 2A and/or Type 2B interfaces. Calls in the Telco to Carrier direction must utilize the NXX. The administration of the NXX, once assigned, including updates to the LERG, will be the responsibility of Carrier.

2.1.3 Type 1. Telco provided Type 1 interfaces shall be as described in the definition and in the referenced technical specifications. Any non-TSMT form of Type 1 interface will be eliminated within 90 Days of the Effective Date.

2.1.3.1 The Parties shall deal with Type 1 interfaces between them as set forth in this Section 2.1.3.1:

- 2.1.3.1.1 The Parties acknowledge that, on a going forward basis, they each desire to minimize the use of Type 1 interfaces with the goal of ultimately eliminating this method of connection, except as otherwise provided herein or where otherwise mutually agreed.
- 2.1.3.1.2 Carrier agrees to take the following steps to reduce the volume of traffic between the Parties using Type 1 interfaces: a). Carrier shall identify all existing full NPA-NXXs assigned to it which are established as Type 1 NPA-NXXs and shall convert those NPA-NXXs so they home on Tandem Switches within six (6) months of the Effective Date. and b) Carrier, shall not provide to its Customers new service using Type 1 numbers unless, (i) there are not adequate Type 2A numbers to assign to Customers for new service, or (ii) the Parties mutually agree that new service may be provided using Type 1 numbers.
- 2.1.3.1.3 After receiving a written request from Carrier to convert full Type 1 NPA-NXXs, and in cooperation with Carrier, Telco will assist Carrier in achieving the transition of those numbers by: (i) performing switch programming necessary to convert Carrier's NPA-NXXs from Type 1 to Type 2A NPA-NXXs; (ii) re-trunking Type 1 Telco to Carrier from the Telco End Office Switch to the appropriate Telco Tandem Switch for delivery to Carrier's POI; (iii) designating as Type 2 traffic the traffic which is currently designated as Type 1 and routing that traffic to the appropriate Carrier Trunk Groups (whether existing or new) as further defined under an implementation plan; (iv) rating Carrier's Type 1 NPA-NXXs at a Telco End Office Switch, and (v) rerouting formerly Type 1 Telco to Carrier traffic to the Telco Tandem Switch that the End Office rate center subtends.
- 2.1.3.1.4 Charges for Type 1 to Type 2 conversion shall be waived for the Term of this agreement

- 2.1.4 Interconnection shall be provided at a level of quality equal to that which such Party provides to itself, a subsidiary, an Affiliate, or any other Telecommunications Carrier.
- 2.1.5 Each Party shall be responsible for providing its own or leased transport Facilities to route calls to and from each other's network.

In its Triennial Review proceeding, the FCC is currently evaluating the availability of unbundled network elements (UNEs) to carriers of wireless telecommunications services ("CMRS carriers") (CC Docket 01-338, paragraphs 12, 37 and 38, released December 20, 2001). Upon a final order in the Triennial Review docket, or a binding decision by the Commission, the parties agree to negotiate successor UNE rates, terms and conditions and/or modify this Section, as applicable, to comply with the rulings in the aforementioned docket, in accordance with the Intervening Law provision of this Agreement. Neither party waives any of its rights, remedies or arguments with respect to UNEs, including, but not limited to, the right to seek legal review of rights contained in the final order of CC Docket 01-338. Subject to the foregoing, Telco will offer, on just, reasonable, and nondiscriminatory terms, those UNEs that have been identified and defined by the FCC and that Telco is required to offer to CMRS carriers on an unbundled basis pursuant to applicable law.

- 2.1.6 POI Options. Carrier and Telco shall mutually agree on a POI for each Trunk Group utilized to carry traffic between their respective networks. A POI may be located at:

- a. Carrier's office where the Facilities terminate for Telco to Carrier Authorized Services traffic, or
- b. another mutually agreeable location.

Notwithstanding the foregoing, Carrier will maintain a POI in each LATA where it seeks interconnection hereunder. Where the Paging Terminal is located in another LATA, the POI may be at another Carrier office or at a mutually acceptable meet point within the LATA. Carrier agrees that Telco may not transport traffic across a LATA boundary.

- 2.1.7 Interconnection Options. Carrier may order Trunk Side Interconnection in the configurations described below:

- 2.1.7.1 Type 1 interconnection is a trunk side end office switch interface (connection), configured as defined in Section 1.

- 2.1.7.2 Type 2B – End Office Switch Interface. When and where available, the Parties may establish Trunk Groups at a Telco End Office Switch using a Type 2B interface. Carrier to Telco traffic on such a Trunk Group must be destined for an NPA-NXX residing in that Telco End Office Switch.
- 2.1.7.3 Type 2A – Tandem Switch Interface. Carrier may establish Trunk Groups at a Telco Tandem Switch using a Type 2A interface. Carrier to Telco traffic on such a Trunk Group must be destined for an NPA-NXX residing in a Telco End Office Switch that homes on that Telco Tandem Switch or in the switching facilities of other telecommunications carriers connected with the tandem.
- 2.1.7.4 In the event that Telco deploys new Tandem Switches after the Effective Date, Telco will provide Carrier with reasonable advance notice of such a change and Telco will work cooperatively with Carrier to accomplish all necessary network changes.
- 2.1.8 Carrier may designate the interface it wants to receive from the following combinations: Trunk Side terminations at voice grade, DS0 or DS1 level. Subject to limitations provided in this Agreement, Telco shall provide the Facility from the designated End Office Switch or Tandem Switch to the POI associated with it. Only one Trunk Group will be provided by Telco in connection with each such Facility.
- 2.1.9 Unless otherwise agreed herein, Carrier will interconnect directly in each LATA in which it exchanges Local Calls and Switched Access Services traffic.
- 2.1.10 When Telco to Carrier traffic requirements on an average time consistent busy hour, for a twenty (20) Business Day study period, equal or exceed one (1) DS1 or 24 trunks from any Telco Tandem Switch, at Telco option, and upon notification to Carrier, Carrier shall immediately begin the process to establish interconnection Facilities and Trunks to each such Tandem. The Parties agree that twenty (20) Business Days is the study period duration objective.
- 2.2 Carrier shall be responsible for applicable Facility and trunk charges (19%) to the extent Facilities and trunks are used to deliver non-Local Calls, *i.e.*, the sum of the InterMTA Traffic Factor (2%) and the Transiting Factor (17%).

3. SIGNALING

- 3.1 Signaling Protocol. Carrier does not currently employ SS7 Signaling in its network. If and when Carrier is prepared to convert to SS7, the Parties will negotiate SS7 provisions and amend this Agreement accordingly. Where multi-frequency signaling is currently used, the Parties agree, below, to Interconnect their networks using multi-frequency ("MF") or ("DTMF") signaling, subject to availability at the End Office Switch or Tandem at which Interconnection occurs. The use of MF signaling may not be optimal and Telco will not be responsible for any undesirable features of MF signaling except to the extent such undesirable features result from a failure by Telco to abide by industry standards.

4. NPA-NXX

- 4.1 Unless specified otherwise in this agreement, each NPA-NXX associated with a Trunk Group using a Type 2A interface must have a single Rating Point and that Rating Point must be associated with an End Office Switch homing on the Telco Tandem Switch where the Trunk Group is located as described in Section 9.3.3, provided, however, that the Rating Point may be designated anywhere in the LATA when the Commission so rules in a proceeding binding Telco. As set forth in Section 1.37, the Rating Point does not have to be the same as the Routing Point.
- 4.2 Telco shall deliver all traffic destined for Carrier's network in accordance with the serving arrangements defined in the LERG, except when Carrier's Paging Terminal serves NPA-NXXs, some of which home on a Telco Tandem Switch, and some of which home on a non-Telco Tandem Switch. In this case, Telco may establish Facilities and Trunks directly between Telco's Tandem Switch and Carrier's Paging Terminal for the completion of all Telco to Carrier calls destined to terminate to such NXXs.
- 4.3 It is the responsibility of Carrier to negotiate Interconnection and traffic transport and termination arrangements directly with other Telecommunication Carriers. Telco will deliver all calls destined to Carrier regardless of the Telecommunication Carrier originating the call. Other than delivering the call, Telco has no responsibility for traffic originated on another Telecommunication Carrier's network and routed through Telco's Tandem Switch to Carrier's Paging Terminal.

5. TRUNKS

- 5.1 Unless otherwise agreed herein, Carrier and Telco will interconnect directly in each LATA in which they exchange Local, Non-Local Calls and Switched Access Services Traffic.

5.2 Installation/Provisioning

- 5.2.1 Carrier will be responsible for designing, ordering and provisioning all Trunks. Carrier will engineer and maintain the appropriate type of and sizing for Facilities and Trunk's according to sound engineering practice, as mutually agreed to by the Parties.
- 5.2.2 Telco will provide non-discriminatory installation and maintenance intervals that are consistent with the like type services which it provides to itself.
- 5.2.3 Orders from Carrier to Telco to establish, add, change, or disconnect Trunks shall be submitted using Telco's applicable ordering system.
- 5.2.4 Orders that comprise a major project that directly impacts the other Party will be jointly planned and coordinated. Major projects are those that require the coordination and execution of multiple orders, or related activities between and among Telco and Carrier work groups, including but not limited to the initial establishment of Interconnection in an area, designated NPA-NXX relocations, re-homes, Facility grooming or major network rearrangements.

5.3 Servicing.

- 5.3.1 The Parties will jointly manage the capacity of Trunk Groups. Telco will send a request to Carrier to trigger changes Telco desires to the Trunk Groups based on Telco's capacity assessment. Carrier will issue an ASR to Telco's Wireless Interconnection Service Center:
 - 5.3.1.1 Within ten (10) Business Days after receipt of the request, upon review of and in response to Telco's request; or
 - 5.3.1.2 At any time as a result of Carrier's own capacity management assessment, to begin the provisioning process.
- 5.3.2 Each Party will be responsible for engineering and maintaining its network and any Facilities and Trunks it provides.
- 5.3.3 When Carrier incurs separate charges for Trunks and or facilities, Carrier shall, upon request, be credited an amount for the period during which Trunks and or facilities are out of service in accordance with Telco's applicable state Switched Access Services tariff for Feature Group D service.

5.4 Design Blocking Criteria

- 5.4.1 Forecasting trunk projections and servicing trunk requirements for Interconnection Trunks shall be based on the average time-consistent busy hour load of the busy season, determined from the highest twenty (20) consecutive average Business Days. The average grade-of-service for Interconnection final Trunk Groups shall be the industry standard of one percent (1%) blocking, within the time-consistent twenty day average busy hour of the busy season. Trunk projections and requirements shall be determined by using the industry standard Neil Wilkinson B.01M Trunk Group capacity algorithms for grade-of-service Trunk Groups. (Prior to obtaining actual traffic data measurements, a medium day-to-day variation and 1.0 peakedness factor shall be used to determine projections and requirements.)
- 5.4.2 The engineered blocking objective for common transport Trunk Groups (CTTG) from Telco End Office Switches to the Access Tandem Switch is one-half of one percent (0.5%). The engineered blocking objective for alternate final (AF) Trunk Groups from Telco End Office Switches to the local Tandem Switch is one percent (1%). The engineered blocking objective for direct Trunk Groups from Telco End Office Switches to Carrier's network is one percent (1%) for direct final (DF) Trunk Groups economic ccs for primary high usage groups. The engineered blocking objective for the Trunk Group from the Telco Tandem Switch to Carrier's network is one percent (1%).
- 5.4.3 When Trunks exceed measured blocking thresholds on an average time consistent busy hour for a twenty (20) Business Day study period, the Parties shall cooperate to increase the Trunks to the foregoing blocking criteria in a timely manner. The Parties agree that twenty (20) Business Days is the study period duration objective.
- 5.4.4 Direct Trunking of Carrier to Telco Traffic. If traffic from a Telco End Office delivered over a Type 2A interface at any time requires twenty-four (24) or more Trunks, Carrier shall, within sixty (60) Days of the occurrence, establish a Type 2B interface at that Telco End Office, when and where available. The Parties agree that Telco shall be responsible for applicable Facility charges (98%) to the extent Facilities are used to deliver Local Calls. Carrier shall be responsible for applicable Facility charges (2%) to the extent Facilities are used to deliver InterMTA Traffic.
- 5.4.5 If a Trunk Group is under seventy-five percent (75%) of busy hour centum call seconds (ccs) capacity on a monthly average basis for each month of any consecutive six (6) month period, either Party may contact the other to

discuss resizing the Trunk Group. Neither Party will unreasonably refuse a request to resize the Trunk Group.

- 5.4.6 Each Party shall provide the other with a specific point of contact for planning, forecasting and Trunk servicing purposes.

6. TRUNK FORECASTING

- 6.1 To permit orderly growth and network management, Carrier shall forecast the volume of traffic of each Trunk associated with each POI. Carrier forecast information must be provided to Telco upon request, no more often than twice a year. When extraordinary changes are anticipated, Carrier shall provide additional timely forecasts to account for such changes. The forecasts shall include:
- 6.2 Yearly forecasted Trunk quantities (which include measurements that reflect actual Tandem and End Office Switch Authorized Services Interconnection and Trunks and Tandem-subtending Authorized Services Interconnection End Office Switch equivalent Trunk requirements) for two (2) years (current year and one (1) additional year) by quarter;
- 6.3 Identification of each Trunk by the from and to Common Language Location Identifiers ("CLLP"), which are described in BellcoreTelcordiaTechnology, Inc. documents BR 795-100-100 and BR 795-400-100;
- 6.4 A description of major system projects. Major system projects include Trunking or system rearrangements, shifts in anticipated traffic patterns, or other activities by Carrier that are reflected by a significant increase or decrease in Trunk demand for the following forecasting period.

7. COMPENSATION FOR LOCAL AUTHORIZED SERVICES INTERCONNECTION

- 7.1 Compensation rates for Interconnection are contained in Appendix – Pricing (Paging).
- 7.2 Compensation for Local Calls Transport and Termination. Subject to the limitations set forth below in Section 7.3, Telco shall compensate Carrier for the transport and termination of Local Calls originating on Telco's network and terminating on Carrier's network. The rates for this compensation are set forth in Appendix - Pricing (Paging).
- 7.3 Traffic Not Subject to Compensation for Local Authorized Services Interconnection

- 7.3.1 Exclusions. Compensation that applies solely to the transport and termination of Local Calls, shall not include, without limitation, the following:
 - 7.3.1.1 Non-CMRS traffic (traffic that is not intended to originate or terminate to a mobile station using CMRS frequency);
 - 7.3.1.2 Toll-free calls (e.g., 800/888), Information Services Traffic, 500 and 700 calls;
 - 7.3.1.3 Transit Traffic;
 - 7.3.1.4 InterMTA traffic;
 - 7.3.1.4 Any other type of traffic found to be exempt from compensation by the FCC or the Commission.
- 7.3.2 The Parties agree that ESP/ISP traffic between them, if any, is presently *de minimis*; however, should intercarrier ESP/ISP traffic become greater than *de minimis*, it will be treated for compensation purposes at the same rate and rate structure as Local Calls. No additional or separate measurement or tracking of ISP bound traffic shall be necessary.
- 7.4 Measuring Calls as Local Calls. In order to measure whether traffic comes within the definition of Local Calls for purposes of calculating compensation, and for such purpose only, the Parties agree as follows:
 - 7.4.1 For Telco, the origination point of a call shall be the End Office Switch that serves the calling party at the beginning of the call.
 - 7.4.2 For Carrier, the termination point of a call shall be the location of the Paging Terminal or POI, which serves the called party at the beginning of the call.
- 7.5 Billing And Recording
 - 7.5.1 Carrier will maintain sufficient records of all calls delivered to it by Telco for termination
 - 7.5.2 To the extent required by Section 10, Carrier will record all pages it terminates. Each Party will perform the necessary call recording and rating for its respective portions of an interchanged call. Each Party shall be responsible for billing and collection from its respective Customers. Each Party shall use procedures that record and measure actual usage for

purposes of providing invoices to the other Party pursuant to this Agreement.

8. TRANSITING SERVICE

- 8.1 Telco's Transiting Service allows Carrier to receive traffic from a third party network through Telco's Tandem Switch ("Transit Traffic").
- 8.2 Direct Connect. Where Telco has in place direct Interconnection Trunks employing Type 2A interface to a Carrier's Paging Terminal, Telco shall use reasonable efforts not to, but may deliver calls destined to terminate at that Carrier MSC via another Telecommunications Carrier's Tandem Switch.
- 8.3 Toll Pool/Designated Carrier. Notwithstanding anything contained herein to the contrary, when Telco is the primary toll carrier for an independent LEC in the State and such independent LEC originates a call that terminates on Carrier's network, Carrier will bill, and Telco will pay, compensation to Carrier for toll traffic originating from such independent LEC and terminating on Carrier's network as though the traffic originated on Telco's network.
- 8.4 Transit Traffic Percentage. The parties agree that Transit Traffic is provided over Type 2A Trunk interfaces. As of the Effective Date hereof, the Parties cannot accurately measure the amount of non-Local Calls, including Transit Traffic and InterMTA Traffic delivered by Telco to Carrier through the Interconnection Arrangements provided for herein. Accordingly, the Parties agree that nineteen percent (19%) of the traffic provided over Type 2A trunk interfaces exchanged hereunder shall be deemed non-Local Traffic.

9. TERMS AND COMPENSATION FOR USE OF FACILITIES

- 9.1 Each Party shall be responsible for providing its own or leased transport Facilities to route calls to and from the POI. Each Party may construct its own Facilities, it may purchase or lease these Facilities from a third party, or it may purchase or lease these Facilities from the other Party, if available, pursuant to tariff or separate contract. Facilities between the Parties' respective networks will not be provided pursuant to this Agreement.
- 9.2 Except when a Type 1 interface is employed, in which case analog Facilities may be used, the Parties will connect their networks using digital Facilities of at least DS-1 transmission rates.
- 9.3 The following shall apply solely for Facilities between the Parties' networks dedicated for transport of one-way Telco-to-Carrier Authorized Services Interconnection traffic to the POI.

- 9.3.1 Telco may use its own Facilities or may use Facilities provided by Carrier, subject to the following:
- 9.3.1.1 Except as otherwise provided herein, Telco shall be responsible for applicable Facility and trunk charges (81%) to the extent Facilities and trunks are used to deliver Local Calls. Carrier shall be responsible for applicable Facility and trunk charges (19%) to the extent Facilities and trunks are used to deliver non-local calls, i.e., the sum of the InterMTA Traffic Factor (2%), and the Transiting Factor (17%). Carrier shall be responsible for all installation and other nonrecurring charges for such Facilities.
 - 9.3.1.2 Carrier provision of Facilities obtained from Telco will be in accordance with Telco's applicable Access Services tariff or separate contract.
 - 9.3.1.3 Carrier provision of Facilities not obtained from Telco will be provided upon terms and conditions that similar Facilities are provided by Telco, and at rates equivalent to the rates Carrier pays for such Facilities (but no greater than the rates that similar Facilities are available from Telco).
- 9.3.2 The Carrier agrees that it will not impose, pursuant to this Agreement, dedicated transport obligations on Telco over Type 1 Facilities across LATA boundaries, nor between the Parties' networks that exceed the shorter of the distance to the POI or twenty (20) miles, (as measured from the Telco End Office Switch to which the connection is made). Where a Type 1 Facility exceeds the distance limitation established hereby, Carrier shall be responsible for 100% of distance sensitive charges to the extent of the excess, with all other charges being apportioned as provided by Section 9.3.1.1. For the purposes of this sub-section, "distance" will be measured between the V&H (Vertical and Horizontal) coordinates of the relevant Telco End Office Switch and the Carrier POI. Telco reserves the right to discontinue the use, for delivering Interconnection traffic from its network, of all, or a portion, of any Type 1 Facilities provided by Carrier. This provision does not negate any obligations either Party may have regarding such Facilities, such as, but not limited to term and notice provisions. Except as otherwise provided, nothing herein will obligate Telco to reimburse Carrier for Facilities obtained from a third party. Carrier agrees that Telco may not transport traffic across a LATA boundary.
- 9.3.3 Carrier shall establish Facilities and Trunks connecting its POI to at least one Telco Tandem in each LATA where Type 2A interconnection is

desired. The above notwithstanding, Telco at its election may require Carrier to establish additional connections to one or more other Telco Tandem Offices serving the LATA where it can be shown that Type 2A traffic to such other Tandem equals or exceeds that which may be carried on a DS-1 Facility (i.e. 24 or more digital circuits) pursuant to Section 2.1.10 above, The costs associated with such added Type 2A Facilities and trunks will be borne as provided in Section 9.3.1.1 above, provided that Telco shall not be responsible for distance sensitive charges beyond the lesser of thirty (30) miles or the distance to the Carrier POI, whichever is less, (as measured from the Telco Tandem to which the connection is made). Where the distance between the connecting Tandem and the Carrier's POI is more than thirty miles, the Carrier shall be responsible for 100% of the added distance sensitive charges. Carrier agrees that Telco may not transport traffic across a LATA boundary. Carrier is responsible for transport facilities on its side of the POI.

- 9.3.4 In the event any Governmental Authority rules in a final order that either Party is entitled to recover additional charges for Facilities or services provided hereunder, , the Parties shall amend this Agreement, within thirty (30) Days of a written request to do so, to provide for the payment of such added charges. To the extent required by the relevant order, this provision shall be retroactive to the Effective Date of this Agreement.

10. BILLING AND PAYMENT

- 10.1 Telco will reimburse its proportionate share of the cost of Facilities and Trunks in accordance with this Agreement.
- 10.1.1 Carrier shall separately list on its bill to Telco for termination compensation, total paging calls and the calculation representing the removal of Non-Local Traffic (e.g. Transit Traffic and InterMTA Traffic).
- 10.2 Calculation representing the removal of Non-Local Traffic (e.g. Transit Traffic and InterMTA Traffic). The Parties agree that the compensation calculation representing the removal of Non-Local Traffic (e.g. Transit Traffic and InterMTA Traffic) originated by Telco and terminated by Carrier will be calculated by multiplying the total number of paging calls by one (1) minus the sum of the Transiting Factor (17%) and the InterMTA Traffic Factor (2%) (*i.e.*, # of paging calls x [1 - [Transiting Factor + InterMTA Traffic Factor]]), which will be multiplied by the per page rate in Appendix – Pricing (Paging).

10.3 Charges and Payment.

- 10.3.1 Each Party agrees to pay the other all undisputed billed amounts by the earlier of (i) the payment date, which may be set no earlier than thirty (30) Days after the bill date, or (ii) the next bill date (i.e. the same date in the following month as the bill date). The undisputed portions of all bills are to be paid when due. All Facilities and serving arrangement charges shall be billed monthly in advance, except those charges due for the initial month, or a portion of the initial month during which new items are provided, in which case charges will be included in the next bill rendered. If the date on which a bill is due as provided above is on a Day other than a Business Day, payment will be made on the next Business Day. Payments will be made in U.S. dollars.
- 10.3.2 Usage-sensitive charges hereunder shall be billed monthly in arrears by both Parties.
- 10.3.3 All non-usage-sensitive monthly charges shall be billed by Telco monthly in advance, except those charges due for the initial month, or a portion of the initial month during which new items are provided, will be included in the next bill rendered.
- 10.3.4 All Facilities and trunk charges owed to Carrier by Telco under Section 9.3, above, shall be billed by Carrier to Telco thirty (30) Days following receipt by Carrier of Telco's invoice.
- 10.3.5 Late Payment Charge. Bills submitted by either party to the other party will be considered past due 30 Days after the bill date or by the next bill date (i.e., same date as the bill date in the following month), whichever occurs first, and are payable in immediately available U.S. funds. If the amount billed is received by the billing Party after the payment due date, or if any portion of the payment is received by the billing Party in funds which are not immediately available to the billing Party, then a late payment charge will apply to the unpaid balance. The late payment charge will be as set forth in Telco's applicable state tariff. When there is no applicable tariff in the State, any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1½%) per month or (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the number of Days from the Bill Due Date to and including the date that payment is actually made.
- 10.3.6 Billing Disputes. The billed Party has sixty (60) Days after the receipt of the invoice to officially dispute, in writing, the charges which have been

withheld from the billing Party. Such billing dispute will include specific invoice and dispute detail for the billing Party to be able to properly investigate the dispute. If the appropriate billing contacts are unable to resolve the dispute within sixty (60) Days after receipt of the written billing dispute, the issue may be escalated to appropriate business representatives who will then have thirty (30) Days to resolve the dispute. In the event that the billing dispute cannot be resolved by the appropriate business representatives, either Party may commence a dispute resolution in accordance with the Dispute Resolution provisions set forth in this Agreement.

- 10.3.7 Backbilling. Charges for all services or Facilities and or Trunks provided pursuant to this Agreement may be billed by the billing Party for up to one (1) year after the initial date such item was furnished. This Section shall not apply to backbilling that would be appropriate where charges are not evident other than through an audit pursuant to Audit provisions of this Agreement.
- 10.3.8 Backcredits. Neither Party may request credit for any billing by the other Party pursuant to this Agreement more than one (1) year after the date of the bill on which the service, Facility, or Trunk was billed. Any such request will be in writing and contain sufficient detail to allow the other Party to properly investigate the request. If the request for credit leads to a billing dispute, such dispute shall be handled in accordance with Section 10.2.6 above. This Section shall not apply to requests for credit in the following situations: when the true-ups are provided for in this Agreement, or where changes are not evident other than through an audit pursuant to Audit provisions of this Agreement.
- 10.3.9 Tariffed Items. Where charges specifically refer to tariffed rates, those tariffed rates and those alone shall be deemed amended to conform to any authorized modifications that may hereafter occur to those tariffed rates. Such amendments shall become effective upon the effective date of tariff modifications.

10.4 Invoices

- 10.4.1 Invoices shall be in compliance with nationally accepted standards agreed upon by the Ordering and Billing Forum (OBF) for billing access traffic.
- 10.4.2 Parties agree that each will perform the necessary call recording and rating for its respective portions of an exchanged call in order to invoice the other Party.

10.4.3 Invoices between the Parties shall include, but not be limited to the pertinent following information:

- Identification of the monthly bill period (from and through dates)
- Current charges
- Past due balance
- Adjustments
- Credits
- Late payment charges
- Payments
- Contact telephone number for billing inquiries

The Parties will provide a remittance document with each invoice identifying:

- Remittance address
- Invoice number and/or billing account number
- Summary of charges
- Amount due
- Payment due date (at least thirty (30) Days from the bill date)

10.4.4 Invoices between the Parties will be provided on paper and will be the primary bill, unless a mechanized format is mutually agreed upon and subsequently designated in writing by both Parties as the primary bill.

10.4.5 Invoices will be based on paging calls or Conversation MOU, as provided under Appendix – Pricing (Paging) for all completed calls and, as to Conversation MOUs, are measured in total conversation time seconds, which are totaled (by originating and terminating CLLI code) for the monthly billing cycle and then rounded up to the next whole minute.

10.4.6 When Telco is unable to bill for Facilities and/or Trunks based on the Parties' proportionate use, Carrier will bill Telco under separate invoice for Telco's proportionate share of Facilities and/or Trunks, as stated within Section 9.

10.4.7 Carrier will bill Telco by LATA, by state, and by trunk group by which the Telco calls were delivered to Carrier based on the terminating location of the call. Carrier will display the CLLI code(s) associated with the Trunk through which the exchange of traffic between Telco and Carrier takes place as well as the number of calls for each inbound trunk group.

11. INTERMTA TRAFFIC

- 11.1 As of the Effective Date hereof, the Parties cannot accurately measure the amount of Telco-to-Carrier InterMTA Traffic. Accordingly, for purposes of this Agreement, the Parties agree that two percent (2%) of the Telco-to-Carrier traffic shall be deemed InterMTA Traffic.

12. INTENTIONALLY LEFT BLANK

13. AMENDMENTS, CHANGES, AND MODIFICATIONS: WAIVER

- 13.1 If either Party proposes to make any permanent changes in the arrangements provided for in this Agreement, or any Attachments, or any permanent change in its operations that would affect the other Party's operations or services once the Facilities, Trunks, apparatus, equipment, or any other item furnished by the Parties under this Agreement are installed, the changing Party shall give reasonable advance written notice to the other Party of such changes, advising when such changes will be made. All such changes shall be coordinated with the non-changing Party. Nothing in this Section 13.1 shall affect the Parties' rights and obligations under this Agreement.
- 13.2 Subject to specific provisions herein to the contrary, each Party shall be solely responsible, at its expense, for the overall design of its services and for any redesigning or rearrangement of its services that may be required because of changes in Facilities, Trunks, operations or procedures of the other Party, minimum network protection criteria, or operating or maintenance characteristics of the Trunks.
- 13.3 No provision of this Agreement shall be deemed waived, amended, or modified by either Party, unless such waiver, amendment, or modification is in writing and signed by the authorized representatives of both Parties. Neither Party shall be bound by any amendment, modification or additional terms unless it is reduced to writing and signed by an authorized representative of the Party sought to be bound. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications, unless agreed to by the receiving Party in writing.
- 13.4 The failure of either Party to enforce or insist that the other Party comply with the terms or conditions of this Agreement, or the waiver by either Party in a particular instance of any of the terms or conditions of this Agreement, shall not be construed as a continuing, future or general waiver or relinquishment of the terms, conditions, rights or privileges, but this Agreement shall be and remain at all times in full force and effect.

14. ASSIGNMENT

- 14.1 Neither Party may assign, subcontract, or otherwise transfer its rights or obligations under this Agreement except under such terms and conditions as are mutually acceptable to the other Party and with such Party's prior written consent, which consent shall not be unreasonably withheld; provided that each Party may assign this Agreement to an Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Notwithstanding the foregoing, Carrier may not assign nor transfer this Agreement (or any rights or obligations hereunder) to its Affiliate if that Affiliate is party to another agreement with Telco under Section 251/252 of the Act. Any attempted assignment or transfer that is not permitted is void ab initio. Nothing in this Section 14.1 is intended to impair the right of either Party to utilize subcontractors.
- 14.2 Nothing in this Section 14.1 is intended to impair the right of either Party to utilize subcontractors.
- 14.3 This Agreement will be binding on and inure to the benefit of the Parties' respective successors and permitted assigns.

15. AUDITS

- 15.1 Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved.
- 15.2 Upon reasonable written notice and at its own expense, each Party or its authorized representative (providing such authorized representative does not have a conflict of interest related to other matters involving one of the Parties) shall have the right to conduct an audit of the other Party, which audit shall be limited to the sole purpose of determining compliance with the provisions of this Agreement. Neither Party may request more than one (1) such audit per state within any twelve (12) month period. .
- 15.3 Each Party, whether or not in connection with an audit, shall maintain reasonable records for a minimum of twenty-four (24) months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement.
- 15.4 Each Party's right to access information for audit purposes is limited to data not in excess of twenty-four (24) months in age.

- 15.5 The audited Party may require the auditing Party to use the services of a third Party independent auditor instead of its own employees for such audit to the extent reasonably necessary to protect Proprietary Information.
- 15.6 If any audit confirms any undercharge or overcharge, then the audited Party will (i) for any overpayment, promptly correct any billing error, including making refund of any overpayment by the auditing Party in the form of a credit on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results and (ii) for any undercharge caused by the actions of or failure to act by the audited Party, immediately compensate the auditing Party for such undercharge, in each case with interest at the lesser of (a) one and one-half percent (1½%) per month, or (b) the highest rate of interest that may be charged under Applicable Law, compounded daily, for the number of Days from the date on which such undercharge or overcharge originated until the date on which such credit is issued or payment is made and available, as the case may be.

16. AUTHORIZATION

- 16.1 Telco represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, that SBC Telecommunications, Inc. has full power and authority to execute and deliver this Agreement as agent for Telco, and that Telco has full power and authority to perform its obligations hereunder.
- 16.2 Carrier represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
- 16.3 Each Party warrants that it has obtained or will obtain prior to operating under this Agreement, all necessary jurisdictional licenses, authorizations and/or certifications required in those jurisdictions in which it will order services or Facilities or will operate under this Agreement. Upon request, each Party shall provide proof of such licenses, authorizations and/or certification.
- 16.4 The complete list of Carrier's Access Carrier Name Abbreviation (ACNA) codes covered by this Agreement is listed below. Any addition, deletion or change in name associated with these listed ACNA codes requires notice to Telco. Notice must be received before orders can be processed under a new or changed ACNA code.

ACNA List: Attached hereto as Appendix ACNA

17. COMPLETE TERMS

- 17.1 This Agreement, together with its appendices and any other attachments, constitutes the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Appendices and any other attachments referred to herein or attached hereto are deemed incorporated by this reference.

18. COMPLIANCE

- 18.1 Each Party will comply, at its own expense, with all Applicable Laws relating to its performance under this Agreement, including but not limited to safety and health regulations relating to one Party's activities at the other Party's locations, and to indemnify and hold the other Party harmless for any judgments, citations, fines, or other penalties which are assessed against such other Party as the result solely of the first Party's failure to comply with any Applicable Law.
- 18.2 Facilities, Trunks and services provided under this Agreement will not be used knowingly for any purpose or in any manner, directly or indirectly, in violation of law or in aid of any unlawful act or undertaking. Nothing in this Agreement shall be construed as requiring or permitting either Party to contravene any mandatory requirement of Applicable Law.

19. CONFIDENTIAL INFORMATION

- 19.1 For the purposes of this Agreement, confidential information ("Confidential Information") means confidential or proprietary technical or business information given or made available by one Party (the "Discloser") to the other (the "Recipient"). All information, which is disclosed by one Party to the other in connection with this Agreement, during negotiations and the term of this Agreement will be deemed proprietary to the Discloser and subject to this Section 19 when marked at the time of delivery as "Confidential" or "Proprietary," or, if communicated orally, identified as "Confidential" or "Proprietary" (i) at the time of delivery, or (ii) in writing within ten (10) Days thereafter. The Recipient agrees (i) to use Confidential Information only for the purpose of performing under this Agreement, (ii) to use the same degree of care (a) to hold such Confidential Information in confidence and (b) to not disclose it to anyone other than its employees and attorneys having a need to know for the purpose of performing under this Agreement, as the recipient uses for its own confidential information of similar importance, but in no event less than reasonable care, and (iii) to safeguard it from unauthorized use or disclosure using at least the same degree of care with which the Recipient safeguards its own Confidential Information of similar importance, but in no event less than reasonable care. If the Recipient wishes to disclose the Discloser's Confidential Information to a third-party agent or

consultant, the agent or consultant must have executed a written agreement to abide by the terms of this Section 19.

- 19.2 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies will be subject to the same restrictions and protections as the original and will bear the same copyright and proprietary rights notices as are contained on the original.
- 19.3 The Recipient agrees to return all Confidential Information in tangible form received from the Discloser, including any copies made by the Recipient, within thirty (30) Days after a written request is delivered to the Recipient, or to destroy all such Confidential Information if directed to do so by Discloser, except for Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement. The Recipient shall certify destruction by written letter to the Discloser. If either Party loses or makes an unauthorized disclosure of the other Party's Confidential Information, it will notify such other Party immediately and use its best efforts to retrieve the lost or wrongfully disclosed information.
- 19.4 The Recipient shall have no obligation to safeguard Confidential Information that: (i) was, at the time of receipt, already known to the Recipient free of any obligation to keep confidential and evidenced by written records prepared prior to delivery by the Discloser; (ii) is, or becomes publicly known through no wrongful act of the Recipient; (iii) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the Discloser with respect to such information; (iv) is independently developed by an employee, agent, or contractor of the Recipient which individual is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; (v) is disclosed to a third person by the Discloser without similar restrictions on such third person's rights; (vi) is approved for release by written authorization of the Discloser; is required to be made public by the Recipient pursuant to applicable law or regulation provided that the Recipient shall furnish the Discloser with written notice of such requirement as soon as possible and prior to such disclosure. The Discloser may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Recipient's compliance with this Section 19 with respect to all or part of such requirement. The Recipient shall use all commercially reasonable efforts to cooperate with the Discloser in attempting to obtain any protective relief that such Discloser chooses to obtain.
- 19.5 Either Party will have the right to disclose Confidential Information to any mediator, arbitrator, state or federal regulatory body, or a court in the conduct of any mediation, arbitration or approval of this Agreement, as long as, in the

absence of an applicable protective order, the Discloser has been previously notified by the Recipient in time sufficient for the Recipient to undertake all lawful measures to avoid disclosing such information and for Discloser to have reasonable time to seek or negotiate a protective order before or with any applicable mediator, arbitrator, state or regulatory body or a court.

- 19.6 The Parties recognize that an individual end user may simultaneously seek to become or be a Customer of both Parties. Nothing in this Agreement is intended to limit the ability of either Party to use customer specific information lawfully obtained from Customers or sources other than the Discloser.
- 19.7 Each Party's obligations to safeguard Confidential Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination without renewal for a period of two years.
- 19.8 Except as otherwise specifically provided herein, no license is hereby granted under any patent, trademark, or copyright, nor is any such license implied solely by virtue of the disclosure of any Confidential Information.
- 19.9 Notwithstanding any other provision of this Agreement, the Confidential Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement and each Party's obligation to safeguard Confidential Information disclosed prior to expiration or termination of this Agreement will survive such expiration or termination.
- 19.10 Pursuant to Section 222(b) of the Act, both Parties agree to limit their use of Confidential Information received from the other to the permitted purposes identified in the Act.
- 19.11 Notwithstanding any of the foregoing, Telco shall be entitled to disclose Confidential Information on a confidential basis to regulatory agencies upon request for information as to Telco's activities under the Act and Telco need not provide prior written notice of such disclosure to Carrier if Telco has obtained an appropriate order for protective relief or other reliable assurance that confidential treatment shall be accorded to such Confidential Information.
- 19.12 Each Party agrees that the Discloser may be irreparably injured by a disclosure in breach of this Agreement by the Recipient or its representatives and the Discloser will be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach or threatened breach of the confidentiality provisions of this Agreement. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.

20. DISCLAIMER OF WARRANTIES

- 20.1 EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE INTERCONNECTION, FUNCTIONS, PRODUCTS AND SERVICES IT PROVIDES UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, NEITHER PARTY TO THIS AGREEMENT ASSUMES ANY RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY ANY OTHER PARTY TO THIS AGREEMENT WHEN SUCH DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

21. DISPUTE RESOLUTION

- 21.1 Finality of Disputes. Except as otherwise specifically provided for in this Agreement, no Claims will be brought for disputes arising from this Agreement more than 24 months from the date the occurrence which gives rise to the dispute is discovered or reasonably should have been discovered with the exercise of due care and attention.
- 21.2 Alternative to Litigation. Except as otherwise specifically provided for in this Agreement, the Parties desire to resolve disputes arising out of this Agreement without court litigation. Accordingly, the Parties agree to use the following Dispute Resolution procedure with respect to any controversy or Claim arising out of or relating to this Agreement or its breach.
- 21.3 Commencing Dispute Resolution. Dispute Resolution shall commence upon the sending from one Party to the other of written notice of a controversy or Claim arising out of or relating to this Agreement or its breach. No Party may pursue any Claim unless such written notice has first been given to the other Party.
- 21.4 Informal Resolution of Disputes. When such written notice has been given, as required by Section 21.3, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will 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 the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the prior written concurrence of both

Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit.

21.5 Formal Dispute Resolution. If the Parties are unable to resolve the dispute through the informal procedure described above in Section 21.4, then either Party may invoke the following formal Dispute Resolution procedures by submitting to the other Party a written demand for arbitration. Unless agreed upon by the Parties, formal dispute resolution procedures described below, including arbitration or other procedures as appropriate, may be invoked not earlier than sixty (60) Days after the date of the letter initiating dispute resolution under Section 21.3.

21.5.1 Claims Subject to Mandatory Arbitration. The following Claims, if not settled through informal dispute resolution, will be subject to mandatory arbitration pursuant to Section 21.6 below: all unresolved billing disputes involving amounts (whether billed by Carrier to Telco or Telco to Carrier) equal to or less than one (1) percent of the amounts billed to Carrier by Telco under this Agreement during the calendar year in which the dispute arises. For any calendar year in which Telco does not issue a bill to Carrier each month, the Parties, in determining whether this Section applies, will annualize the bills issued for that calendar year.

21.5.2 Claims Subject to Elective Arbitration. All Claims not described in Section 21.5.1 above will be subject to arbitration if, and only if, the Claim is not settled through informal dispute resolution and both parties agree to arbitration. If both parties do not agree to arbitration, then either party may proceed with any remedy available to it pursuant to law, equity, or agency mechanism.

21.6 Arbitration. Disputes subject to mandatory or elective arbitration under the provisions of this Agreement will be submitted to a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or pursuant to such other provider of arbitration services or rules as the Parties may agree. Each arbitration will be held in the city identified in Appendix – Arbitration Location (Paging) for the State, unless the parties agree otherwise. The arbitration hearing will be requested to commence within sixty (60) Days of the demand for arbitration. The arbitrator will control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs upon a schedule determined by the arbitrator. The Parties will request that the arbitrator rule on the dispute by issuing a written opinion within thirty (30) Days after the close of hearings. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator will have no authority to award punitive damages, exemplary damages, consequential damages, multiple

damages, or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Agreement. The arbitrator shall be knowledgeable of telecommunications issues. The times specified in this Section 21.6 may be extended or shortened upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Each Party will bear its own costs of these procedures, including attorneys' fees. The Parties will equally split the fees of the arbitration and the arbitrator. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

21.7 Resolution of Billing Disputes. The following provisions apply specifically to the resolution of billing disputes.

21.7.1 When a billing dispute is resolved in favor of the billed Party the following will occur within thirty (30) Days:

21.7.1.1 Interest will be paid by the billing Party on any amounts paid in excess of the amount found to be due according to the Dispute Resolution.

21.7.1.2 Payments made in excess of the amount found to be due according to the Dispute Resolution will be reimbursed by the billing Party.

21.7.2 When a billing dispute is resolved in favor of the billing Party, the following will occur within thirty (30) Days:

21.7.2.1 Late payment charges will be paid by the billed Party on any amount not paid that was found to be due according to the Dispute Resolution.

21.7.2.2 Any amounts not paid but found to be due according to the Dispute Resolution will be paid to the billing Party.

21.8 No Conflict. The Dispute Resolution procedures set forth in this Agreement are not intended to conflict with applicable requirements of the Act or the state commission with regard to procedures for the resolution of disputes arising out of this Agreement.

22. EFFECTIVE DATE

22.1 This Agreement shall become effective upon approval by the Commission.

23. FORCE MAJEURE

23.1 Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, cable cuts, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a Day-to-Day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a Day-for-Day basis to the extent such Party's obligations related to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of nonperformance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

24. GOVERNING LAW

24.1 The validity of this Agreement, the construction and enforcement of its terms, and the interpretation of the rights and duties of the Parties will be governed by the Act, FCC rules and regulations, Commission rules and regulations, and the domestic laws of the State, without regard to its conflicts of laws principles.

25. HEADINGS

25.1 The headings in this Agreement are inserted for convenience and identification only and will not be considered in the interpretation of this Agreement.

26. INDEMNITY

26.1 Except as otherwise expressly provided herein or in specific appendices, each Party shall be responsible only for the Interconnection, functions, products, Facilities, Trunks and services which are provided by that Party, its authorized agents, subcontractors, or others retained by such parties, and neither Party shall bear any responsibility for the Interconnection, functions, products and services provided by the other Party, its agents, subcontractors, or others retained by such parties.

26.2 Except as otherwise expressly provided herein or in specific appendices, and to the extent not prohibited by Applicable Law and not otherwise controlled by

tariff, each Party (the "Indemnifying Party") shall release, defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any Loss to a third party arising out of the negligence or willful misconduct ("Fault") of such Indemnifying Party, its agents, its Customers, contractors, or others retained by such parties, in connection with the Indemnifying Party's provision of Interconnection, functions, products and services under this Agreement; provided, however, that (i) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (ii) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (iii) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract.

- 26.3 In the case of any Loss alleged or claimed by a Customer of either Party, the Party whose Customer alleged or claimed such Loss (the "Indemnifying Party") shall defend and indemnify the other Party (the "Indemnified Party") against any and all such Claims or Losses by its Customer regardless of whether the underlying Interconnection, function, product or service giving rise to such Claim or Loss was provided or provisioned by the Indemnified Party, unless the Claim or Loss was caused by the gross negligence or willful misconduct of the Indemnified Party.
- 26.4 A Party (the "Indemnifying Party") shall defend, indemnify and hold harmless the other Party ("Indemnified Party") against any Claim or Loss arising from the Indemnifying Party's use of Interconnection, functions, products and services provided under this Agreement involving:
- 26.4.1 Any Claim or Loss arising from such Indemnifying Party's use of Interconnection, functions, products and services offered under this Agreement, involving any Claim for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's or its Customer's use.
- 26.4.2 The foregoing includes any Claims or Losses arising from disclosure of any Customer-specific information associated with either the originating or terminating numbers used to provision Interconnection, functions, products or services provided hereunder and all other Claims arising out of any act or omission of the Customer in the course of using any Interconnection, functions, products or services provided pursuant to this Agreement.

- 26.4.1.2 The foregoing includes any Losses arising from Claims for actual or alleged infringement of any Intellectual Property right of a third party to the extent that such Loss arises from an Indemnifying Party's or an Indemnifying Party's Customer's use of Interconnection, functions, products or services provided under this Agreement.; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply:
- 26.4.1.2.1 where an Indemnified Party or its Customer modifies Interconnection, functions, products or services; and
- 26.4.1.2.2 no infringement would have occurred without such modification.
- 26.4.3 Any and all penalties imposed on either Party because of the Indemnifying Party's failure to comply with the Communications Assistance to Law Enforcement Act of 1994 (CALEA); provided that the Indemnifying Party shall also, at its sole cost and expense, pay any amounts necessary to modify or replace any equipment, or services provided to the Indemnified Party under this Agreement to ensure that such equipment, and services fully comply with CALEA.
- 26.5 Intellectual Property. Should this Agreement be modified at any time to allow a Party to obtain network elements, the Parties will immediately negotiate appropriate provisions to address the protection of third party Intellectual Property rights related to any provided network elements and the indemnification of the providing Party for asserted or actual violations of those rights by the other Party.
- 26.6 Each Party ("Indemnifying Party") shall reimburse the other Party ("Indemnified Party") for damages to the Indemnified Party's equipment, Interconnection Trunks and other property utilized to provide Interconnection hereunder caused by the negligence or willful act of the Indemnifying Party, its agents, subcontractors or Customer or resulting from the Indemnifying Party's improper use of the Indemnified Party's equipment, Interconnection Trunks or other property, or due to malfunction of any functions, products, services or equipment provided by any person or entity other than the Indemnified Party. Upon reimbursement for damages, the Indemnified Party will cooperate with the Indemnifying Party in prosecuting a Claim against the person causing such damage. The Indemnifying Party shall be subrogated to the right of recovery by the Indemnified Party for the damages to the extent of such payment.

26.7 Indemnification Procedures

- 26.7.1 Whenever a Claim shall arise for indemnification under this Section 26, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request in writing the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim.
- 26.7.2 The Indemnifying Party shall have the right to defend against such liability or assertion, in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party.
- 26.7.3 Until such time as Indemnifying Party provides written notice of acceptance of the defense of such Claim, the Indemnified Party shall defend such Claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such Claim.
- 26.7.4 Upon accepting the defense, the Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such Claims, subject to consultation with the Indemnified Party. So long as the Indemnifying Party is controlling and conducting the defense, the Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.
- 26.7.5 At any time, an Indemnified Party shall have the right to refuse a compromise or settlement, and, at such refusing Party's cost, to take over such defense; provided that, in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the refusing Party against, any cost or liability in excess of such refused compromise or settlement.
- 26.7.6 With respect to any defense accepted by the Indemnifying Party, the Indemnified Party will be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Party, and shall also be entitled to employ separate counsel for such defense at such Indemnified Party's expense.

- 26.7.7 If the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party.
- 26.7.8 In the event of a failure to assume the defense, the Indemnified Party may negotiate a settlement, which shall be presented to the Indemnifying Party. If the Indemnifying Party refuses to agree to the presented settlement, the Indemnifying Party may take over the defense. If the Indemnifying Party refuses to agree to the presented settlement and refuses to take over the defense, the Indemnifying Party shall be liable for any reasonable cash settlement not involving any admission of liability by the Indemnifying Party, though such settlement may have been made by the Indemnified Party without approval of the Indemnifying Party, it being the Parties' intent that no settlement involving a non-monetary concession by the Indemnifying Party, including an admission of liability by such Party, shall take effect without the written approval of the Indemnifying Party.
- 26.7.9 Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in Section 19.

27. INTELLECTUAL PROPERTY

- 27.1 Any Intellectual Property originating from or developed by a Party shall remain in the exclusive ownership of that Party.

28. INTERPRETATION AND CONSTRUCTION

- 28.1 Wherever a tariffed rate is cited or quoted, it is understood that said cite incorporates any changes to said tariffs as required by the Act.
- 28.2 This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.
- 28.3 This Agreement may be negotiated for more than one state, as listed on Appendix – State (Paging). However, this Agreement shall be applied separately and distinctly to the Parties' operations in each individual state.

- 28.4 This Agreement (including all attachments hereto), and every interconnection, service and network element provided hereunder, is subject to all rates, terms and conditions contained in this Agreement (including all attachments hereto) that are legitimately related to such interconnection, service or network element; and all such rates, terms and conditions are incorporated by reference herein and as part of every interconnection, service and network element provided hereunder. Without limiting the general applicability of the foregoing, the Terms and Termination provisions of this Agreement are specifically agreed by the Parties to be legitimately related to, and to be applicable to, each interconnection, service and network element provided hereunder.
- 28.5 For ease of administration, this Agreement contains certain specified rates, terms and conditions which apply only in a designated State ("State-Specific Terms"). To the extent that this Agreement contains State-Specific Terms, such State-Specific Terms shall not apply and shall have no effect in any other State(s) to which this Agreement is submitted for approval under Section 252(e) of the Act. When the Parties negotiate an interconnection agreement for an additional state, neither Party shall be precluded by any language in this Agreement from negotiating State-Specific Terms for the state in which they are to apply.

29. INTERVENING LAW

- 29.1 This Agreement is entered into as a result of both private negotiation between the Parties and the incorporation of some of the results of arbitration and orders by the Commission and/or FCC.
- 29.2 In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent jurisdiction, including but not limited to any decision by the Eighth Circuit relating to any of the costing/pricing rules adopted by the FCC in its First Report and Order, *In re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 (1996)(e.g., Section 51.501, et seq.), upon review and remand from the United States Supreme Court, in *AT&T Corp. v. Iowa Utilities Bd.*, 525 U.S. 366 (1999) (and on remand *Iowa Utilities Board v. FCC*, 219 F.3d 744 (8th Cir. 2000) or *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999), the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be

resolved pursuant to the dispute resolution process provided for in this Agreement.

- 29.3 Without limiting the general applicability of the foregoing, the Parties acknowledge that on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.*, 525 U.S. 366 (1999) (and on remand, *Iowa Utilities Board v. FCC*, 219 F.3d 744 (8th Cir. 2000)) and on June 1, 1999, the United States Supreme Court issued its opinion in *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999). In addition, the Parties acknowledge that on November 5, 1999, the FCC issued its Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-96 (FCC 99-238), including the FCC's Supplemental Order issued *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, in CC Docket No. 96-98 (FCC 99-370) (rel. November 24, 1999), portions of which become effective thirty (30) days following publication of such Order in the Federal Register (February 17, 2000) and other portions of which become effective 120 days following publication of such Order in the Federal Register (May 17, 2000). The Parties further acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Inter-carrier Compensation for ISP-bound Traffic* (the "ISP Inter-carrier Compensation Order.") By executing this Agreement and carrying out the inter-carrier compensation rates, terms and conditions herein, Telco does not waive any of its rights, and expressly reserves all of its rights, under the ISP Inter-carrier Compensation Order, including but not limited to its right to exercise its option at any time in the future to invoke the Intervening Law or Change of Law provisions and to adopt, on a date specified by Telco, the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions. The Parties further acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decisions, or any other applicable decisions, and any remand thereof, including its right to seek legal review or a stay pending appeal of such decisions or its rights under this Intervening Law paragraph.

30. LAW ENFORCEMENT AND CIVIL PROCESS

- 30.1 Intercept Devices. Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with a Customer of the other Party, it shall refer such request to the Party that serves such Customer, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request.

- 30.2 Subpoenas. If a Party receives a subpoena for information concerning an Customer the Party knows to be an Customer of the other Party, it shall refer the subpoena to the requesting party with an indication that the other Party is the responsible company, unless the subpoena requests records for a period of time during which the receiving Party was the Customer's service provider, in which case that Party will respond to any valid request.
- 30.3 The Parties will cooperate to comply with any request for information or assistance from law enforcement agencies. However, neither Party shall be held liable for any Claims or damages arising from compliance with such requests relating to the other Party's Customers and the Party serving such Customer agrees to indemnify and hold the other Party harmless against any and all such Claims.

31. LIMITATION OF LIABILITY

- 31.1 Except for indemnity obligations or as otherwise provided in specific appendices under this Agreement and except to the extent (if at all) prohibited by law or public policy, each Party's liability to the other Party for any Loss relating to or arising out of such Party's performance under this Agreement, including but not limited to any negligent act or omission (whether willful or inadvertent), whether in contract, tort or otherwise, including but not limited to alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement also constitute a violation of a statute, including but not limited to the Act, shall not exceed in total the amount that Party has charged or would have charged to the other Party for the affected service(s) or function(s) which were not performed or were improperly performed.
- 31.2 Apportionment of Fault. Except for Losses alleged or Claimed by a Customer of either Party and except as otherwise provided in specific appendices, in the case of any Loss alleged or Claimed by a third party arising out of the negligence or willful misconduct of both Parties, each Party shall bear, and its obligation under this Section shall be limited to, that portion of the resulting expense caused by its own negligence or willful misconduct or that of its agents, servants, contractors, or others acting in aid or concert with it.
- 31.3 Except to the extent (if at all) prohibited by law or public policy, neither Carrier nor Telco shall be liable to the other Party for any indirect, incidental, consequential, reliance, special or punitive damages suffered by the other Party (including, without limitation, damages for harm to business, Loss of anticipated revenues, savings, or profits, or other economic Loss suffered by such other Party), regardless of the form of action, whether in contract, warranty, strict liability, tort or otherwise, including without limitation negligence of any kind, whether active or passive (and including alleged breaches of this Agreement and

causes of action alleged to arise from allegations that breach of this Agreement constitutes a violation of the Act or other statute), and regardless of whether the Parties knew or had been advised of the possibility that such damages could result in connection with or arising from anything said, omitted, or done hereunder or related hereto including willful acts or omissions (collectively, "Consequential Damages"); provided that the foregoing shall not limit (i) a Party's obligation under this Agreement to indemnify, defend, and hold the other Party harmless against any amounts payable to a third party, including any Losses, costs, fines, penalties, criminal or civil judgments or settlements, expenses (including attorney's fees) and Consequential Damages of such third party, or (ii) a Party's liability to the other Party for willful or intentional misconduct, including gross negligence. Except as provided in the prior sentences, each Party hereby releases and holds harmless the other Party (and such other Party's Affiliates, and their respective officers, directors, employees and agents) from any such Claim.

- 31.4 Neither Party assumes any liability for any act or omission of the other in the furnishing of its service to its Customers solely by virtue of entering into this Agreement.
- 31.5 This Section 31 is not intended to exempt any Party from liability under this Agreement, but only to set forth the scope of damages that are recoverable. Both Parties acknowledge that they negotiated regarding alternate limitation of liability provisions but that such provisions would have altered the cost, and thus the price, of providing the interconnection, network elements and services hereunder and no different pricing reflecting different costs and different limits of liability was agreed to.
- 31.6 When the lines or services of other companies and Telecommunications Carriers are used in establishing connections to and/or from points not reached by a Party's lines, neither Party shall be liable for any act or omission of the other companies or Telecommunications Carriers.

32. MULTIPLE COUNTERPARTS

- 32.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but such counterparts together constitute one and the same document.

33. NETWORK MANAGEMENT

- 33.1 Any Party may use or request protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic to or from each other's network, when required to protect the public switched network from congestion due to Facility or Trunking failures, switch congestion, or failure or focused overload.

The Parties will immediately notify each other of any protective control action planned or executed.

- 33.2 Where the capability exists, originating or terminating traffic reroutes may be implemented by any Party to temporarily relieve network congestion due to Facility or Trunking failures or abnormal calling patterns. Reroutes will not be used to circumvent normal Trunk servicing. Expansive controls will only be used when the Parties mutually agree.
- 33.3 The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, in order to prevent or mitigate the impact of these events on the public switched network.
- 33.4 Both Parties shall work cooperatively to prevent use of anything provided under this Agreement in any manner that interferes with third parties in the use of their service, prevents third parties from using their service, impairs the quality of service to other Telecommunications Carriers or to either Party's Customers, causes electrical hazards to either Party's personnel, damage to either Party's equipment, or malfunction of either Party's billing equipment. At the earliest practicable time, each Party will provide the other verbal notice of any such network harm that could effect the other Party, its network, or its Customers.
- 33.5 The Parties shall cooperate to establish separate, dedicated Facilities and Trunks for the completion of calls to high volume Customers.
- 33.6 Carrier and Telco will work cooperatively to install and maintain a reliable network. Carrier and Telco will exchange appropriate information (e.g., maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the government and such other information as the Parties shall mutually agree) to achieve this desired reliability.
- 33.7 Carrier shall acknowledge calls in accordance with the following protocols.
 - 33.7.1 Carrier will provide a voice intercept announcement or distinctive tone signals to the calling party when a call is directed to a number that is not assigned by Carrier.
 - 33.7.2 Carrier will provide a voice announcement or distinctive tone signals to the calling party when a call has been received and accepted by Carrier's terminal.

33.7.3 When Carrier's terminal is not able to complete calls because of a malfunction in the terminal or other equipment, Carrier will either divert the call to its operator, or provide a recorded announcement to the calling party advising that the call cannot be completed.

33.7.4 Carrier will provide supervisory tones or voice announcements to the calling party on all calls, consistent with standard telephone industry practices.

33.8 Each Party will provide the other Party a 24-hour network management contact and a trouble reporting number.

34. NON-WAIVER

34.1 Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

35. NOTICES

35.1 Subject to Section 35.6, notices given by one Party to the other Party under this Agreement shall be in writing (unless specifically provided otherwise herein), and, unless otherwise expressly required by this Agreement to be delivered to another representative or point of contact, shall be delivered personally; delivered by express overnight delivery service; mailed via first class U.S. Postal Service with postage prepaid and a return receipt requested; or delivered by facsimile; provided that a paper copy is also sent by a method described above.

35.2 Notices will be deemed given as of the earliest of the date of actual receipt; the next Business Day when sent via express overnight delivery service; five (5) Days after mailing in the case of first class U.S. Postal Service; or on the date set forth on the confirmation produced by the sending facsimile machine when delivered by facsimile prior to 5:00 p.m. in the recipient's time zone, but the next Business Day when delivered by facsimile at 5:00 p.m. or later in the recipient's time zone.

35.3 Notices will be addressed to the Parties as follows:

To Carrier:
Rick Kelly, Owner
Autophone of Laredo, Inc.
1816 Pappas Street
Laredo, TX 78041
Fax #: 956-727-4948

To Telco:
Contract Administration
ATTN: Notices Manager
311 S. Akard St., 9th Floor
Four SBC Plaza
Dallas, TX 75202-5398
Fax #: 214-464-2006

- 35.4 Either Party may unilaterally change its designated contact, address, telephone number and/or facsimile number for the receipt of notices by giving written notice to the other Party in compliance with this Section. Any notice to change the designated contact, address, telephone and/or facsimile number for the receipt of notices shall be deemed effective ten (10) Days following receipt by the other Party.
- 35.5 Each Party agrees to inform the other of any name change or change in its legal status in writing within thirty (30) Days of the effective date of such change.
- 35.6 Accessible Letters. Telco will communicate official information to Carrier via Telco's Accessible Letter e-mail notification process. This process covers a variety of subjects, including updates on products/services promotions; deployment of new products/services; modifications and price changes to existing products/services; cancellation or retirement of existing products/services; and operational issues. Accessible Letter notification will be deemed given as of the earlier of the date of actual receipt and the date set forth on the e-mail receipt. Carrier shall notify Telco of all e-mail addresses to which Accessible Letter notification is to be sent.

36. NUMBERING

- 36.1 It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to the other Party's assigned NPA-NXXs at all times. Neither Telco nor Carrier shall charge each other for changes to switch routing software necessitated by the opening of NPAs or NXXs. If either Party is authorized to recover its costs for changes to switch routing software necessitated by the opening of NPAs or NXXs, the Parties shall reimburse each other's costs according to such authorization.
- 36.2 The Parties shall comply with Central Office Code Assignment Guidelines, as currently specified in INC 95-0407-008, in performing the electronic input of their respective number assignment information into the Routing Database System.

- 36.3 To the extent that the Carrier's dedicated NPA-NXX resides at a point in Telco network, then the Parties shall cooperate to reassign the routing V&H and the Common Language Location Identifier ("CLLI") of dedicated NPA-NXX(s) from Telco's Tandems to points within Carrier's network as designated by Carrier. Carrier agrees that it shall use commercially reasonable efforts to complete the reassignment of its dedicated NPA-NXX(s) into its network. The Parties agree to cooperate in order to complete the transfer of all codes no later than the end of twelve months from the Effective Date. Until an NPA-NXX is reassigned, it will continue to be assigned to Telco's network as shown in the LERG.
- 36.4 Telco will forward a confirmation to Carrier in response to Carrier's request to add Carrier's NPA-NXXs to Trunk Groups, when Carrier submits such a request accompanied by an ASR without service and using the remarks section to refer to the NPA-NXX form. This NPA-NXX installation request will be treated as a no-charge order.
- 36.5 Both Parties will provide switch translations and billing contact points regarding the establishment of or modification to full number blocks.
- 36.6 Number Portability
- 36.6.1 If the authorized Services are subject to number portability requirements, The Parties agree to implement such permanent number portability (PNP) requirements, in compliance with FCC or Commission orders, within and between their networks as soon as technically feasible, but no later than the schedule established by the FCC or the Commission.
- 36.6.2 Each Party shall recover its costs for PNP in accordance with FCC or Commission orders.
- 36.6.3 Except as otherwise agreed between the Parties in writing, to the extent that a Party performs a query or is required to perform a query pursuant to its obligations under any Applicable Laws or this Agreement, that Party will make arrangements to perform its own queries for PNP calls on an N-1 basis, where N is the entity terminating the call to the user. If Telco is the entity terminating the call to the user, Carrier is the N-1 entity, and Carrier fails to make the appropriate query, Telco will charge Carrier in accordance with Telco's applicable tariff.
- 36.6.4 The Parties shall cooperate in conducting testing to ensure interconnectivity between their networks. Each Party shall inform the other of any network updates that may affect the other's network and shall, at the other's request, perform tests to validate the operation of the network.

Prior to the date that PNP is implemented by both Parties, the Parties agree to cooperatively establish terms, conditions, and procedures for porting telephone numbers.

- 36.5 Dialing Parity. Telco agrees that local dialing parity will be available to Carrier in accordance with the Act.

37. PATENTS, TRADEMARKS & TRADE NAMES

- 37.1 With respect to Claims of patent infringement made by third persons, Telco and Carrier shall defend, indemnify, protect and save harmless the other from and against all Claims arising out of the improper combining with or use by the indemnifying Party of any Facility, apparatus, system or method provided by that Party or its subscribers in connection with the Trunks or services furnished under this Agreement.
- 37.2 No license under patents is granted by either Party to the other, or shall be implied or arise by estoppel with respect to any Facility, apparatus, system, or method used by either Party in connection with any Trunks or services furnished under this Agreement.
- 37.3 Nothing in this Agreement will 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, absent prior written consent of the other Party.

38. PUBLICITY

- 38.1 The Parties agree not to use in any advertising or sales promotion, press release or other publicity matter any endorsement, direct or indirect quote, or picture implying endorsement by the other Party or any of its employees without such Party's prior written approval. The Parties will submit to each other for written approval, and obtain such approval, prior to publication, all publicity matters that mention or display one another's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied.
- 38.2 Neither Party will offer any services using the trademarks, service marks, trade names, brand names, logos, insignia, symbols or decorative designs of the other Party or its Affiliates without the other Party's written authorization.

39. RECORDS

- 39.1 Each Party will keep adequate records of its operations and transactions under this Agreement and shall furnish to the other Party such information as may be reasonably required for the administration of this Agreement.

40. RELATIONSHIP OF THE PARTIES

- 40.1 This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder.
- 40.2 Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party.
- 40.3 Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.
- 40.4 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party and each Party's contractor(s) shall be solely responsible for all matters relating to payment of such employees, including the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts and all other regulations governing such matters. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.
- 40.5 Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind,

express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

41. REMEDIES

- 41.5 Except as otherwise provided in this Agreement, no remedy set forth herein is intended to be exclusive and each and every remedy shall be cumulative and in addition to any other rights or remedies now or hereafter existing under Applicable Law or otherwise.

42. SERVICES

- 42.1 Each Party is solely responsible for the services it provides to its Customers and to other Telecommunications Carriers.

43. SURVIVAL OF OBLIGATIONS

- 43.1 Any liabilities or obligations of a Party for acts or omissions prior to the cancellations or termination of this Agreement, any obligation of a Party under the provisions regarding indemnification, limitations on liability, and any other provisions of this Agreement which, by their nature or terms, are intended to continue beyond (or to be performed after) the expiration or termination of this Agreement, will survive expiration or termination thereof, except that the survival of obligations as to protection of Confidential Information shall be governed by Section 19.

44. TAXES

- 44.1 Each Party purchasing Interconnection, resale services, network elements, functions, facilities, products and services under this Agreement shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, municipal fees, transfer, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") imposed on, or with respect to, the Interconnection, resale services, network elements, functions, facilities, products and services under this Agreement provided by or to such Party, except for (a) any Tax on either Party's corporate existence, status, or income or (b) any corporate franchise Taxes. Whenever possible, Taxes shall be billed as a separate item on the invoice.
- 44.2 With respect to any purchase of Interconnection, resale services, network elements, functions, facilities, products and services under this Agreement if any Tax is required or permitted by Applicable Law to be collected from the

purchasing Party by the providing Party, then: (i) the providing Party shall bill the purchasing Party for such Tax; (ii) the purchasing Party shall remit such Tax to the providing Party; and (iii) the providing Party shall remit such collected Tax to the applicable taxing authority. Failure to include Taxes on an invoice or to state a Tax separately shall not impair the obligation of the purchasing Party to pay any Tax. Nothing shall prevent the providing Party from paying any Tax to the appropriate taxing authority prior to the time: (1) it bills the purchasing Party for such Tax, or (2) it collects the Tax from the purchasing Party. Notwithstanding anything in this Agreement to the contrary, the purchasing Party shall be liable for and the providing Party may collect Taxes which were assessed by or paid to an appropriate taxing authority within the statute of limitations period but not included on an invoice within four (4) years after the Tax otherwise was owed or due.

- 44.3 With respect to any purchase hereunder of Interconnection, resale services, network elements, functions, facilities, products and services under this Agreement that are resold to a third party, if any Tax is imposed by Applicable Law on the Customer in connection with any such purchase, then: (i) the purchasing Party shall be required to impose and/or collect such Tax from the Customer; and (ii) the purchasing Party shall remit such Tax to the applicable taxing authority. The purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such tax to such authority.
- 44.4 If the providing Party fails to bill or to collect any Tax as required herein, then, as between the providing Party and the purchasing Party: (i) the purchasing Party shall remain liable for such uncollected Tax; and (ii) the providing Party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing Party fails to pay any Taxes properly billed, then, as between the providing Party and the purchasing Party, the purchasing Party will be solely responsible for payment of the Taxes, penalty and interest.
- 44.5 If the purchasing Party fails to impose any Tax on and/or collect any Tax from Customers as required herein, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay or impose on and/or collect from Customers, the purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the

failure of the purchasing Party to pay or collect and remit such Tax to such authority.

- 44.6 If either Party is audited by a taxing authority or other Governmental Authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 44.7 To the extent a sale is claimed to be for resale and thus subject to tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party for any period prior to the date that the purchasing Party presents a valid certificate. If Applicable Law excludes or exempts a purchase of Interconnection, resale services, network elements, functions, facilities, products and services under this Agreement from a Tax, but does not also provide an exemption procedure, then the providing Party will not collect such Tax if the purchasing Party (a) furnishes the providing Party with a letter signed by an officer of the purchasing Party claiming an exemption and identifying the Applicable Law that both allows such exemption and does not require an exemption certificate; and (b) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party, which holds the providing Party harmless from any tax, interest, penalties, Loss, cost or expense with respect to forbearing to collect such Tax.
- 44.8 With respect to any Tax or Tax controversy covered by this Section 44, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to Applicable Law and at its own expense, any Tax that it is ultimately obligated to pay or collect. The purchasing Party will ensure that no lien is attached to any asset of the providing Party as a result of any contest. The purchasing Party shall be entitled to the benefit of any refund or recovery of amounts that it had previously paid resulting from such a contest. Amounts previously paid by the providing Party shall be refunded to the providing Party. The providing Party will cooperate in any such contest.
- 44.9 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section 44 shall be sent in accordance with Section 35 hereof.

45. TERM AND TERMINATION

- 45.1 Except as provided herein, the Parties agree to interconnect pursuant to the terms defined in this Agreement until April 3, 2005 (The period from the Effective Date

until this date is the "Initial Term"). Thereafter the Agreement shall continue in effect until terminated as provided herein.

45.2 At any time after or within 120 Days prior to the date stated in Section 45.1 above, either Party may request negotiations between the Parties for a new Interconnection agreement under the provisions of Sections 251-252 of the Act. Such negotiations shall begin as soon as reasonably possible. Absent such a request this Agreement shall be deemed to have been extended indefinitely, subject to the right of either party to request a new agreement under the provisions of the Act.

45.2.1 Any resultant new Interconnection agreement shall be effective when approved by the Commission. Either Party's request under this Section will, for all purposes, be treated as a request under Section 252 of the Act for negotiation received by an incumbent local exchange carrier and will begin the process of voluntary negotiations.

45.3 In the event of a request for negotiations under the Act, as described above, this Agreement shall continue in effect until:

45.3.1 a regulatory or judicial body approves a negotiated new interconnection agreement between the Parties for the state covered by this Agreement; or

45.3.2 an arbitrated new interconnection agreement between the Parties for the state covered by this Agreement becomes effective; or,

45.3.3 a request for negotiations has been made under Sections 251-252 of the Act but all relevant time periods have passed without a negotiated agreement being filed with the Commission; or

45.3.4 this Agreement is otherwise terminated in accordance with the terms of this Section 45.

45.4 The Parties agree that, except as otherwise provided in this Agreement, the rules and timeframes of Section 252 of the Act shall apply to any request for a new interconnection agreement initiated under Section 45.2. This includes arbitration by the Commission in the timeframes established in Section 252 of the Act.

45.4.1 If, for any reason, the Commission declines to arbitrate issues resulting from the negotiations, either party may petition the FCC to arbitrate such issues.

45.4.2 If, for any reason, the FCC declines to arbitrate issues resulting from the negotiations, either party may request binding commercial arbitration,

which shall be governed by the rules of the American Arbitration Association, except as the Parties agree to modify such rules.

- 45.5 Notwithstanding any other provisions of this Agreement, this Agreement may be terminated at any time as mutually agreed upon by the Parties in writing.
- 45.6 In the event Carrier intends to cease providing its Authorized Services, Carrier shall communicate this intent to Telco in writing at least sixty (60) Days prior to the time Carrier intends to cease providing its Authorized Services. If it sends such a communication, Carrier may terminate this Agreement as part of that same advance written notice, subject to payment for Facilities or arrangements provided or for costs incurred.
- 45.7 Violation of or Refusal to Comply with Provisions of Agreement:
 - 45.7.1 Either Party may provide thirty (30) Days written notice to the other of repeated or willful material violation of, or refusal to comply with, the provisions of this Agreement.
 - 45.7.2 If such material violation or refusal has continued uncured for thirty (30) Days following receipt of such written notice by the defaulting Party, the other Party may terminate this Agreement on thirty (30) Days written notice.
 - 45.7.3 The terminating Party shall notify the FCC and the Commission and concurrently give the other Party written notice of the prospective date and time of discontinuance of service.
- 45.8 Immediate Termination:
 - 45.8.1 This Agreement shall immediately terminate upon the permanent suspension, revocation, or termination by other means of either Party's authority to provide services over its network and shall be suspended during periods of temporary suspension, revocation, or termination of such authority.
 - 45.8.2 Notwithstanding such termination, the terminating Party shall notify in writing the Party who has lost its authority, not less than thirty (30) Days prior to discontinuing the interconnection arrangements provided hereunder.
 - 45.8.3 At such time the terminating Party will also notify in writing the FCC and the Commission of the prospective discontinuance.

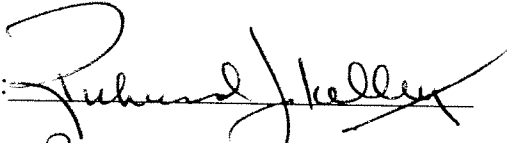
- 45.9 Upon termination of this Agreement, the monthly charges payable under the Agreement shall be prorated to the date of termination, provided that the Trunk for which such charge is levied has been in service for more than one (1) month. Otherwise, the full monthly charge shall be due on termination, together with any applicable non-recurring charges.
- 45.10 If this Agreement is terminated for any reason, and no other agreement has taken its place, and Telco continues, in its sole discretion, to provide Facilities, Trunks and/or services used for the delivery of Interconnection traffic originating on Telco's network, then the rates, terms and conditions under which those items are provided will be those contained in pertinent Telco tariffs (if such tariffs are designed to take into account then effective and applicable FCC regulations for paging providers); or, in the absence of such tariffs, the terms and conditions contained herein shall continue to apply to such items until a new contract between the Parties is in place, unless otherwise agreed. In such case, either Party may request negotiations between the Parties for a new Interconnection agreement under the provisions of Sections 251-252 of the Act.

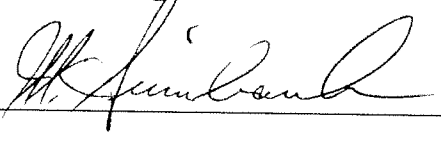
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the dates set forth below.

Paging Interconnection Agreement Signatures

Autophone of Laredo, Inc.

**Southwestern Bell Telephone, L.P. d/b/a
SBC Texas by SBC Telecommunications,
Inc., its authorized agent**

Signature: 
Name: RICHARD J. KELLEY
(Print or Type)

Signature: 
Name: Mike Auinbauh
(Print or Type)

Title: V.P. Sales
(Print or Type)

Title: For/ President - Industry Markets

Date: 2/19/04

Date: FEB 27 2004

APPENDIX PRICING (PAGING) - TEXAS

1. The rates for transport and termination shall be as follows:

Telco-to-Carrier Compensation Rate:

\$0.0013 per paging call

2. Intentionally Left Blank

3. Other Charges

- 3.1 Intentionally Left Blank

- 3.2 Access Order Cancellation Charge. A charge is calculated as the product of the number of Business Days from order application through the order cancellation multiplied by the average daily charge of the service ordered, plus the Access Order Charge. The Access Order Charge is governed by Telco's applicable interstate Access Services tariff.

- 3.3 Rollover Charges. A rollover is a Carrier initiated move that involves a change of a Point of Termination from an existing service within the same Carrier premises. The nonrecurring charge associated with the installation of that service (i.e., the Rollover Charge) applies when Carrier requests a rollover and shall be billed in accordance with the Wireless Carrier Interconnection Service Tariff Section XX.

- 3.4 Translation Charges. Translation charges will apply per the state specific Wireless Carrier Interconnection Services Tariff for each effected end office when Carrier requests a change in an NPA-NXX code from a standard billing arrangement to an area wide calling plan NPA-NXX.

- 3.5 Intentionally Left Blank.

- 3.6 Charges for miscellaneous other items such as Service Establishment, Change in Service Arrangement, , Additional Engineering, Additional Labor Charges, Access Order Charge, Design Change Charge, Service Date Change Charge, ACNA, Billing Account Number (BAN) and Circuit Identification Change Charges, and Supercedure charges are governed by Telco's applicable interstate Access Services tariff.

APPENDIX ACNA

RRM	CHM/PGN
CUC	PBK
MMD	PDG
RMI	PKO
MPA	PLA
BQP	POC
BKR	PPJ
MPI	PPO
DZP	PPW
RMC	PSD
MBN	PLL
INC	PNK
DPE	PGK
MEN	PNO
MLB	PWK
USM	UPN
UWH	PDL
MEM	PNF
MMV	PPN
MBC	PPH
IKP	PNP
MBA	PYK
MBC	PRE
RHA	PCH
UWP	PWG
	PRF

APPENDIX STATE (PAGING)

Texas

APPENDIX ARBITRATION LOCATION (PAGING)

Texas: Dallas