

BELLSOUTH® / CLEC Agreement

Customer Name: McLeodUSA Telecommunications Services, Inc.

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Resale Agreement

Between

BellSouth Telecommunications, Inc.

And

McLeodUSA Telecommunications Services, Inc.

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AGREEMENT GENERAL TERMS AND CONDITIONS

THIS AGREEMENT is made by and between BellSouth Telecommunications, Inc., (BellSouth), a Georgia corporation, and McLeodUSA Telecommunications Services, Inc. (McLeodUSA), a Iowa corporation, and shall be effective on the Effective Date, as defined herein. This Agreement may refer to either BellSouth or McLeodUSA or both as a “Party” or “Parties.”

W I T N E S S E T H

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide Telecommunications Services (as defined below) in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and

WHEREAS, McLeodUSA is or seeks to become a CLEC authorized to provide telecommunications services in the state of Louisiana and

WHEREAS, pursuant to Sections 251 and 252 of the Act; McLeodUSA wishes to purchase certain services from BellSouth; and

NOW THEREFORE, in consideration of the mutual agreements contained herein, BellSouth and McLeodUSA agree as follows:

Definitions

Affiliate is defined as a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term “own” means to own an equity interest (or equivalent thereof) of more than ten percent (10%).

Commission is defined as the appropriate regulatory agency in each state of BellSouth’s nine-state region (Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee).

Competitive Local Exchange Carrier (CLEC) means a telephone company certificated by the Commission to provide local exchange service within BellSouth's franchised area.

Effective Date is defined as the date that the Agreement is effective for purposes of rates, terms and conditions and shall be thirty (30) days after the date of the last signature executing the Agreement. Future amendments for rate changes will also be effective thirty (30) days after the date of the last signature executing the amendment.

FCC means the Federal Communications Commission.

Telecommunications means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Telecommunications Service means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

Telecommunications Act of 1996 (Act) means Public Law 104-104 of the United States Congress effective February 8, 1996. The Act amended the Communications Act of 1934 (47 U.S.C. Section 1 et. seq.).

1. CLEC Certification

- 1.1 McLeodUSA agrees to provide BellSouth in writing McLeodUSA's CLEC certification for all states covered by this Agreement except Kentucky prior to BellSouth filing this Agreement with the appropriate Commission for approval.
- 1.2 To the extent McLeodUSA is not certified as a CLEC in each state covered by this Agreement as of the execution hereof, McLeodUSA may not purchase services hereunder in that state. McLeodUSA will notify BellSouth in writing and provide CLEC certification when it becomes certified to operate in any other state covered by this Agreement and upon receipt thereof, McLeodUSA may thereafter purchase services pursuant to this Agreement in that state. BellSouth will file this Agreement with the appropriate Commission for approval.
- 1.3 Should McLeodUSA's certification in any state be rescinded or otherwise terminated, BellSouth may, at its election, suspend or terminate this Agreement immediately in such state and all monies owed on all outstanding invoices for services provided in such state shall become due, or BellSouth may refuse to provide services hereunder in that state until certification is reinstated in that state, provided such notification is made prior to expiration of the term of this Agreement. McLeodUSA shall provide an effective certification to do business issued by the secretary of state or equivalent authority in each state covered by this Agreement.

2. Term of the Agreement

- 2.1 The initial term of this Agreement shall be three (3) years, beginning on the Effective Date and shall apply to the BellSouth territory in the state of Louisiana. Notwithstanding any prior agreement of the Parties, the rates, terms and conditions of this Agreement shall not be applied retroactively prior to the Effective Date.

- 2.2 The Parties agree that by no earlier than two hundred seventy (270) days and no later than one hundred and eighty (180) days prior to the expiration of the initial term of this Agreement, they shall commence negotiations for a new agreement to be effective beginning on the expiration date of this Agreement (Subsequent Agreement). If as of the expiration of the initial term of this Agreement, a Subsequent Agreement has not been executed by the Parties, then except as set forth in Sections 2.3.1 and 2.3.2 below, this Agreement shall continue on a month-to-month basis while a Subsequent Agreement is being negotiated. The Parties' rights and obligations with respect to this Agreement after expiration of the initial term shall be as set forth in Section 2.3 below.
- 2.3 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 2.2 above, the Parties are unable to negotiate new terms, conditions and prices for a Subsequent Agreement, either Party may petition the Commission to establish appropriate rates, terms and conditions for the Subsequent Agreement pursuant to 47 U.S.C. § 252.
- 2.3.1 McLeodUSA may request termination of this Agreement only if it is no longer purchasing services pursuant to this Agreement. Except as set forth in Section 2.3.2 below, notwithstanding the foregoing, in the event that as of the date of expiration of the initial term of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 2.3 above, then BellSouth may terminate this Agreement upon sixty (60) days notice to McLeodUSA. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to McLeodUSA pursuant to the rates, terms and conditions set forth in BellSouth's then current standard interconnection agreement. In the event that BellSouth's standard interconnection agreement becomes effective between the Parties, the Parties may continue to negotiate a Subsequent Agreement.
- 2.3.2 Notwithstanding Section 2.2 above, in the event that as of the expiration of the initial term of this Agreement the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 2.3 above and BellSouth is not providing any services under this Agreement as of the date of expiration of the initial term of this Agreement, then this Agreement shall not continue on a month-to-month basis but shall be deemed terminated as of the expiration date hereof.
- 2.4 If, at any time during the term of this Agreement, BellSouth is unable to contact McLeodUSA pursuant to the Notices provision hereof or any other contact information provided by McLeodUSA under this Agreement, and there are no active services being provisioned under this Agreement, then BellSouth may, at its discretion, terminate this Agreement, without any liability whatsoever, upon sending of notification to McLeodUSA pursuant to the Notices section hereof.

- 2.5 In addition to as otherwise set forth in this Agreement, BellSouth reserves the right to suspend access to ordering systems, refuse to process additional or pending applications for service, or terminate service in the event of prohibited, unlawful or improper use of BellSouth's facilities or service, abuse of BellSouth's facilities or any other material breach of this Agreement, and all monies owed on all outstanding invoices shall become due. In such event, McLeodUSA is solely responsible for notifying its customers of any discontinuance of service.

3. Parity

When McLeodUSA purchases, Telecommunications Services from BellSouth pursuant to Attachment 1 of this Agreement for the purposes of resale to customers, such services shall be equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that BellSouth provides to its Affiliates, subsidiaries and customers.

4 Court Ordered Requests for Call Detail Records and Other Subscriber Information

- 4.1 Subpoenas Directed to BellSouth. Where BellSouth provides resold services for McLeodUSA, or, if applicable under this Agreement, switching, BellSouth shall respond to subpoenas and court ordered requests delivered directly to BellSouth for the purpose of providing call detail records when the targeted telephone numbers belong to McLeodUSA customers. Billing for such requests will be generated by BellSouth and directed to the law enforcement agency initiating the request. BellSouth shall maintain such information for McLeodUSA customers for the same length of time it maintains such information for its own customers.
- 4.2 Subpoenas Directed to McLeodUSA. Where BellSouth is providing resold services to McLeodUSA, or, if applicable under this Agreement, switching, then McLeodUSA agrees that in those cases where McLeodUSA receives subpoenas or court ordered requests regarding targeted telephone numbers belonging to McLeodUSA customers, and where McLeodUSA does not have the requested information, McLeodUSA will advise the law enforcement agency initiating the request to redirect the subpoena or court ordered request to BellSouth for handling in accordance with Section 4.1 above.
- 4.3 In all other instances, where either Party receives a request for information involving the other Party's customer, the Party receiving the request will advise the law enforcement agency initiating the request to redirect such request to the other Party.

5 Liability and Indemnification

- 5.1 McLeodUSA Liability. In the event that McLeodUSA consists of two (2) or more separate entities as set forth in this Agreement and/or any Amendments hereto, or any third party places orders under this Agreement using McLeodUSA's company

codes or identifiers, all such entities shall be jointly and severally liable for the obligations of McLeodUSA under this Agreement.

- 5.2 Liability for Acts or Omissions of Third Parties. BellSouth shall not be liable to McLeodUSA for any act or omission of another entity providing any services to McLeodUSA.
- 5.3 Except for any indemnification obligations of the Parties hereunder, each Party's liability to the other for any loss, cost, claim, injury, liability or expense, including reasonable attorneys' fees relating to or arising out of any cause whatsoever, whether based in contract, negligence or other tort, strict liability or otherwise, relating to the performance of this Agreement, shall not exceed a credit for the actual cost of the services or functions not performed or improperly performed. Any amounts paid to McLeodUSA pursuant to Attachment 4 hereof shall be credited against any damages otherwise payable to McLeodUSA pursuant to this Agreement.
- 5.3.1 Limitations in Tariffs. A Party may, in its sole discretion, provide in its tariffs and contracts with its customers and third parties that relate to any service, product or function provided or contemplated under this Agreement, that to the maximum extent permitted by Applicable Law, such Party shall not be liable to the customer or third party for (i) any loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged that applicable person for the service, product or function that gave rise to such loss and (ii) consequential damages. To the extent that a Party elects not to place in its tariffs or contracts such limitations of liability, and the other Party incurs a loss as a result thereof, such Party shall, except to the extent caused by the other Party's gross negligence or willful misconduct, indemnify and reimburse the other Party for that portion of the loss that would have been limited had the first Party included in its tariffs and contracts the limitations of liability that such other Party included in its own tariffs at the time of such loss.
- 5.3.2 Neither BellSouth nor McLeodUSA shall be liable for damages to the other Party's terminal location, equipment or customer premises resulting from the furnishing of a service, including, but not limited to, the installation and removal of equipment or associated wiring, except to the extent caused by a Party's negligence or willful misconduct or by a Party's failure to ground properly a local loop after disconnection.
- 5.3.3 Under no circumstance shall a Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, each Party recognizes that the other Party may, from time to time, provide advice, make recommendations, or supply other analyses related to the services or facilities described in this Agreement, and, while each Party shall use diligent

efforts in this regard, the Parties acknowledge and agree that this limitation of liability shall apply to provision of such advice, recommendations, and analyses.

- 5.3.4 To the extent any specific provision of this Agreement purports to impose liability, or limitation of liability, on either Party different from or in conflict with the liability or limitation of liability set forth in this Section, then with respect to any facts or circumstances covered by such specific provisions, the liability or limitation of liability contained in such specific provision shall apply.
- 5.4 Indemnification for Certain Claims. Except to the extent caused by the indemnified Party's gross negligence or willful misconduct, the Party providing services hereunder, its Affiliates and its parent company, shall be indemnified, defended and held harmless by the Party receiving services hereunder against any claim, loss or damage arising from the receiving Party's use of the services provided under this Agreement pertaining to (1) claims for libel, slander or invasion of privacy arising from the content of the receiving Party's own communications, or (2) any claim, loss or damage claimed by the customer of the Party receiving services arising from such company's use or reliance on the providing Party's services, actions, duties, or obligations arising out of this Agreement.
- 5.5 Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

6 Intellectual Property Rights and Indemnification

- 6.1 No License. Except as expressly set forth in Section 6.2 below, no patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. The Parties are strictly prohibited from any use, including but not limited to, in the selling, marketing, promoting or advertising of telecommunications services, of any name, service mark, logo or trademark (collectively, the "Marks") of the other Party. The Marks include those Marks owned directly by a Party or its Affiliate(s) and those Marks that a Party has a legal and valid license to use. The Parties acknowledge that they are separate and distinct and that each provides a separate and distinct service and agree that neither Party may, expressly or impliedly, state, advertise or market that it is or offers the same service as the other Party or engage in any other activity that may result in a likelihood of confusion between its own service and the service of the other Party.

- 6.2 Ownership of Intellectual Property. Any intellectual property that originates from or is developed by a Party shall remain the exclusive property of that Party. Except for a limited, non-assignable, non-exclusive, non-transferable license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right, now or hereafter owned, controlled or licensable by a Party, is granted to the other Party. Neither shall it be implied nor arise by estoppel. Any trademark, copyright or other proprietary notices appearing in association with the use of any facilities or equipment (including software) shall remain on the documentation, material, product, service, equipment or software. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.
- 6.3 Intellectual Property Remedies
- 6.3.1 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service in the manner contemplated under this Agreement and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 5 above.
- 6.3.2 Claim of Infringement
- 6.3.2.1 In the event that use of any facilities or equipment (including software), becomes, or in the reasonable judgment of the Party who owns the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party, promptly and at its sole expense and sole option, but subject to the limitations of liability set forth below, shall:
- 6.3.2.2 modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- 6.3.2.3 obtain a license sufficient to allow such use to continue.
- 6.3.2.4 In the event Sections 6.3.2.2 or 6.3.2.3 above are commercially unreasonable, then said Party may terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.
- 6.3.3 Exception to Obligations. Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or

equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor, provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.

6.3.4 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

6.3.5 Dispute Resolution. Any claim arising under Sections 6.1 and 6.2 above shall be excluded from the dispute resolution procedures set forth in Section 8 below and shall be brought in a court of competent jurisdiction.

7 Proprietary and Confidential Information

7.1 Proprietary and Confidential Information. It may be necessary for BellSouth and McLeodUSA, each as the "Discloser," to provide to the other Party, as "Recipient," certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information (collectively the "Information"). All such Information conveyed in writing or other tangible form shall be clearly marked with a confidential or proprietary legend. Information conveyed orally by the Discloser to Recipient shall be designated as proprietary and confidential at the time of such oral conveyance, shall be reduced to writing by the Discloser within forty-five (45) days thereafter, and shall be clearly marked with a confidential or proprietary legend.

7.2 Use and Protection of Information. Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient's analysis of the Information and for no other purpose except as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.

7.3 Exceptions

7.3.1 Recipient will not have an obligation to protect any portion of the Information which:

- 7.3.2 (a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient.
- 7.4 Recipient agrees to use the Information solely for the purposes of negotiations pursuant to 47 U.S.C. § 251 or in performing its obligations under this Agreement and for no other entity or purpose, except as may be otherwise agreed to in writing by the Parties. Nothing herein shall prohibit Recipient from providing information requested by the FCC or a state regulatory agency with jurisdiction over this matter, or to support a request for arbitration or an allegation of failure to negotiate in good faith.
- 7.5 Recipient agrees not to publish or use the Information for any advertising, sales or marketing promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its affiliated companies.
- 7.6 The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, application or other intellectual property right that is now or may hereafter be owned by the Discloser.
- 7.7 Survival of Confidentiality Obligations. The Parties' rights and obligations under this Section 7 shall survive and continue in effect until two (2) years after the expiration or termination date of this Agreement with regard to all Information exchanged during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under applicable law.

8 Resolution of Disputes

Except as otherwise stated in this Agreement, if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the aggrieved Party, if it elects to pursue resolution of the dispute, shall petition the Commission for a resolution of the dispute. However, each Party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

9 Taxes

- 9.1 Definition. For purposes of this Section, the terms "taxes" and "fees" shall include but not be limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect

to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

9.2 Taxes and Fees Imposed Directly On Either Providing Party or Purchasing Party

9.2.1 Taxes and fees imposed on the providing Party, which are not permitted or required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.

9.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.

9.3 Taxes and Fees Imposed on Purchasing Party But Collected And Remitted By Providing Party

9.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

9.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

9.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not applicable, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be applicable, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

9.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery. The purchasing Party shall have the right to contest, at its own expense, any such tax or fee that it believes is not applicable or was paid by it in error. If requested in writing by the purchasing Party, the providing Party shall facilitate such contest either by assigning to the

purchasing Party its right to claim a refund of such tax or fee, if such an assignment is permitted under applicable law, or, if an assignment is not permitted, by filing and pursuing a claim for refund on behalf of the purchasing Party but at the purchasing Party's expense.

9.3.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.

9.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

9.3.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; provided, however, that the failure of a Party to provide notice shall not relieve the other Party of any obligations hereunder.

9.4 Taxes and Fees Imposed on Providing Party But Passed On To Purchasing Party

9.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, shall be borne by the purchasing Party.

9.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

9.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application of or basis for any such tax or fee, the Parties shall consult with respect to the imposition and billing of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain ultimate responsibility for determining whether and to what extent any such taxes or fees are applicable, and the purchasing Party shall abide by such determination and pay such taxes or fees to the providing Party. The providing Party shall further retain ultimate responsibility for determining whether and how to contest the imposition of such taxes and fees; provided, however, that any such contest undertaken at the request of the purchasing Party shall be at the purchasing Party's expense.

9.4.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such

contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery. The purchasing Party shall have the right to contest, at its own expense, any such tax or fee that it believes is not applicable or was paid by it in error. If requested in writing by the purchasing Party, the providing Party shall facilitate such contest either by assigning to the purchasing Party its right to claim a refund of such tax or fee, if such an assignment is permitted under applicable law, or, if an assignment is not permitted, by filing and pursuing a claim for refund on behalf of the purchasing Party but at the purchasing Party's expense.

9.4.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.

9.4.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorneys' fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

9.4.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; provided, however, that the failure of a Party to provide notice shall not relieve the other Party of any obligations hereunder.

9.5 Additional Provisions Applicable to All Taxes and Fees

9.5.1 In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

9.5.2 Notwithstanding any provision of this Agreement to the contrary, any administrative, judicial, or other proceeding concerning the application or amount of a tax or fee shall be maintained in accordance with the provisions of this Section and any applicable federal, state or local law governing the resolution of such disputed tax or fee; and under no circumstances shall either Party have the right to bring a dispute related to the application or amount of tax or fee before a regulatory authority.

10 **Force Majeure**

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion,

explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by McLeodUSA, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided, however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease. The Party affected shall provide notice of the Force Majeure event within a reasonable period of time following such an event.

11 Adoption of Agreements

Pursuant to 47 U.S.C. § 252(i) and 47 C.F.R. § 51.809, BellSouth shall make available to McLeodUSA any entire resale agreement filed and approved pursuant to 47 U.S.C. § 252. The adopted agreement shall apply to the same states as the agreement that was adopted, and the term of the adopted agreement shall expire on the same date as set forth in the agreement that was adopted.

12 Modification of Agreement

- 12.1 If McLeodUSA changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of McLeodUSA to notify BellSouth of said change, request that an amendment to this Agreement, if necessary, be executed to reflect said change and notify the Commission of such modification of company structure in accordance with the state rules governing such modification in company structure if applicable. Additionally, McLeodUSA shall provide BellSouth with any necessary supporting documentation, which may include, but is not limited to, a credit application, Application for Master Account, proof of authority to provide telecommunications services, the appropriate Operating Company Number (OCN) for each state as assigned by National Exchange Carrier Association (NECA), Carrier Identification Code (CIC), Access Customer Name and Abbreviation (ACNA), BellSouth's blanket form letter of authority (LOA), Misdirected Number form and a tax exemption certificate.
- 12.2 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.
- 12.3 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of McLeodUSA or BellSouth to perform any material terms of this Agreement, McLeodUSA or BellSouth may, on thirty (30) days' written notice, require that such terms be renegotiated, and the Parties shall renegotiate in good faith such

mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within forty-five (45) days after such notice, and either Party elects to pursue resolution of such amendment such Party shall pursue the dispute resolution process set forth in Section 8 above.

13 Legal Rights

Execution of this Agreement by either Party does not confirm or imply that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).

14 Indivisibility

Subject to Section 15 below, the Parties intend that this Agreement be indivisible and nonseverable, and each of the Parties acknowledges that it has assented to all of the covenants and promises in this Agreement as a single whole and that all of such covenants and promises, taken as a whole, constitute the essence of the contract. The Parties further acknowledge that this Agreement is intended to constitute a single transaction and that the obligations of the Parties under this Agreement are interdependent.

15 Severability

If any provision of this Agreement, or part thereof, shall be held invalid or unenforceable in any respect, the remainder of the Agreement or provision shall not be affected thereby, provided that the Parties shall negotiate in good faith to reformulate such invalid provision, or part thereof, or related provision, to reflect as closely as possible the original intent of the parties, consistent with applicable law, and to effectuate such portions thereof as may be valid without defeating the intent of such provision. In the event the Parties are unable to mutually negotiate such replacement language, either Party may elect to pursue the dispute resolution process set forth in Section 8 above.

16 Non-Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

17 Governing Law

Where applicable, this Agreement shall be governed by and construed in accordance with federal and state substantive telecommunications law, including rules and regulations of the FCC and appropriate Commission. In all other

respects, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia without regard to its conflict of laws principles.

18 Assignments and Transfers

18.1 Any assignment by either Party to any entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. The assignee must provide evidence of a Commission approved certification to provide Telecommunications Service in each state that McLeodUSA is entitled to provide Telecommunications Service. After BellSouth's consent, the Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement in the event that the assignee fails to perform such obligations. Notwithstanding anything to the contrary in this Section, McLeodUSA shall not be permitted to assign this Agreement in whole or in part to any entity unless either (1) McLeodUSA pays all bills, past due and current, under this Agreement, or (2) McLeodUSA's assignee expressly assumes liability for payment of such bills.

18.2 In the event that McLeodUSA desires to transfer any services hereunder to another provider of Telecommunications Service, or McLeodUSA desires to assume hereunder any services provisioned by BellSouth to another provider of Telecommunications Service, such transfer of services shall be subject to separately negotiated rates, terms and conditions.

19 Notices

19.1 Every notice, consent or approval of a legal nature, required or permitted by this Agreement shall be in writing and shall be delivered either by hand, by overnight courier or by US mail postage prepaid, or email if an email address is listed below, addressed to:

BellSouth Telecommunications, Inc.

BellSouth Local Contract Manager
600 North 19th Street, 10th floor
Birmingham, AL 35203

and

ICS Attorney
Suite 4300
675 West Peachtree Street
Atlanta, GA 30375

McLeodUSA Telecommunications Services, Inc.

General Counsel
6400 C Street, S.W.
P.O. Box 3177
Cedar Rapids, IA 52406-3177

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

19.2 Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

19.3 Notwithstanding the above, BellSouth will post to BellSouth's Interconnection Web site changes to business processes and policies and shall post to BellSouth's Interconnection Web site or submit through applicable electronic systems, other service and business related notices not requiring an amendment to this Agreement.

20 Rule of Construction

No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

21 Headings of No Force or Effect

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

22 Multiple Counterparts

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

23 Filing of Agreement

This Agreement, and any amendments hereto, shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act, or as otherwise required by the state and the Parties shall share equally in any applicable fees. Notwithstanding the foregoing, this Agreement shall not be submitted for approval by the appropriate state regulatory agency unless and until

such time as McLeodUSA is duly certified as a local exchange carrier in such state, except as otherwise required by a Commission.

24 Compliance with Law

The Parties have negotiated their respective rights and obligations pursuant to substantive Federal and State Telecommunications law and this Agreement is intended to memorialize the Parties' mutual agreement with respect to each Party's rights and obligations under the Act and applicable FCC and Commission orders, rules and regulations. Nothing contained herein, nor any reference to applicable rules and orders, is intended to expand on the Parties' rights and obligations as set forth herein. To the extent the provisions of this Agreement differ from the provisions of any Federal or State Telecommunications statute, rule or order in effect as of the execution of this Agreement, this Agreement shall control. Each Party shall comply at its own expense with all other laws of general applicability.

25 Necessary Approvals

Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.

26 Good Faith Performance

Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

27. Rates

27.1 McLeodUSA shall pay the charges set forth in this Agreement. In the event that BellSouth is unable to bill the applicable rate or no rate is established or included in this Agreement for any services provided pursuant to this Agreement, BellSouth reserves the right to back bill McLeodUSA for such rate or for the difference between the rate actually billed and the rate that should have been billed pursuant to this Agreement. To the extent a rate element is omitted or no rate is established, BellSouth has the right not to provision such service until the Agreement is amended to include such rate.

27.2 To the extent McLeodUSA requests services not included in this Agreement, such services shall be provisioned pursuant to the rates, terms and conditions set forth in the applicable tariffs or a separately negotiated Agreement, unless the Parties agree to amend this Agreement to include such service prospectively.

28 Rate True-Up

- 28.1 This section applies to rates that are expressly subject to true-up.
- 28.2 The rates shall be trued-up, either up or down, based on final prices determined either by further agreement between the Parties, or by a final and effective order of the Commission. The Parties shall implement the true-up by comparing the actual volumes and demand for each item, together with the rates for each item, with the final prices determined for each item. Each Party shall keep its own records upon which the true-up can be based, and any final payment from one Party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any discrepancy between the records or disagreement between the Parties regarding the amount of such true-up, the dispute shall be subject to the dispute resolution process set forth in this Agreement.
- 28.3 A final and effective order of the Commission that forms the basis of a true-up shall be based upon cost studies submitted by either or both Parties to the Commission and shall be binding upon BellSouth and McLeodUSA specifically or upon all carriers generally, such as a generic cost proceeding.
- 29 Survival**
- The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.
- 30 Entire Agreement**
- 30.1 This Agreement means the General Terms and Conditions, the Attachments hereto and all documents identified therein, as such may be amended from time to time and which are incorporated herein by reference, all of which, when taken together, are intended to constitute one indivisible agreement. This Agreement sets forth the entire understanding and supersedes prior agreements between the Parties relating to the subject matter contained in this Agreement and merges all prior discussions between them. Any orders placed under prior agreements between the Parties shall be governed by the terms of this Agreement and McLeodUSA acknowledges and agrees that any and all amounts and obligations owed for services provisioned or orders placed under prior agreements between the Parties, related to the subject matter hereof, shall, as of the Effective Date, be due and owing under this Agreement and be governed by the terms and conditions of this Agreement as if such services or orders were provisioned or placed under this Agreement. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.
- 30.2 Any reference throughout this Agreement to a tariff, industry guideline, BellSouth's technical guideline or reference, BellSouth business rule, guide or other such document containing processes or specifications applicable to the services provided pursuant to this Agreement, shall be construed to refer to only

those provisions thereof that are applicable to these services, and shall include any successor or replacement versions thereof, all as they are amended from time to time and all of which are incorporated herein by reference, and may be found at BellSouth's Interconnection Web site at: www.interconnection.bellsouth.com. References to state tariffs throughout this Agreement shall be to the tariff for the state in which the services were provisioned; provided, however, that in any state where certain BellSouth services or tariff provisions have been or become deregulated or detariffed, any reference in this Agreement to a detariffed or deregulated service or provision of such tariff shall be deemed to refer to the service description, price list or other agreement pursuant to which BellSouth provides such services as a result of detariffing or deregulation.

Resale Agreement
General Terms and Conditions
Signature Page

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: Kristen E. Shore
Name: Kristen E. Shore
Title: Director
Date: 12/22/05

**McLeodUSA Telecommunications
Services, Inc.**

By: William A. Laas
Name: William A. Laas
Title: Deputy General Counsel
Date: 12/21/2005

Attachment 1

Resale

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RESALE

1. Discount Rates

- 1.1 The discounts rates applied to McLeodUSA's purchases of BellSouth Telecommunications Services for the purpose of resale shall be as set forth in Exhibit D. Such discounts have been determined by the applicable Commission to reflect the costs avoided by BellSouth when selling a service for wholesale purposes.
- 1.2 The Telecommunications Services available for purchase by McLeodUSA for the purposes of resale to McLeodUSA's customers shall be available at BellSouth's tariffed rates less the discount reflected in Exhibit D and subject to the exclusions and limitations in Exhibit A.

2. Definition of Terms

For purposes of this Attachment only, the following terms shall have the definitions as set forth below:

- 2.1 Customer of Record means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as nonrecurring, monthly recurring, toll, directory assistance, etc.
- 2.2 End User Customer Location means the physical location of the premises where a customer makes use of the Telecommunications Services.
- 2.3 New Services means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- 2.4 Resale means an activity wherein a certificated CLEC, such as McLeodUSA, subscribes to the retail Telecommunications Services of BellSouth and then offers those retail Telecommunications Services to the public.

3. General Provisions

- 3.1 All of the negotiated rates, terms and conditions set forth in this Attachment pertain to the resale of BellSouth's retail Telecommunications Services and other services specified in this Attachment. Subject to effective and applicable FCC and Commission rules and orders, BellSouth shall make available to McLeodUSA for resale those Telecommunications Services BellSouth makes available, pursuant to its General Subscriber Services Tariff (GSST) and Private Line Services Tariff, to customers who are not Telecommunications carriers.
- 3.1.1 When McLeodUSA provides Resale service in a cross boundary area (customer is physically located in a particular state and is served by a central office in an adjoining state) the rates, regulations and discounts for the state in which the serving central office is located will apply. Billing will be from the state in which the customer is located.
- 3.2 McLeodUSA as a reseller of Lifeline and Link-Up Services hereby certifies that it has and will comply with the FCC requirements governing the Lifeline and Link-

Up programs as set forth in 47 C.F.R. § 54.417(a) and (b). This includes the requirements set forth in BellSouth's GSST, Sections A3.31 and A4.7.

- 3.2.1 McLeodUSA shall maintain records to document FCC or applicable state eligibility and verification records to document compliance governing the Lifeline/Link-Up programs for the three (3) full preceding calendar years, and McLeodUSA shall provide such documentation to the FCC or its Administrator upon request.
- 3.2.2 In Tennessee, if McLeodUSA does not resell Lifeline service to any end users, and if McLeodUSA agrees to order an appropriate Operator Services/Directory Assistance block as set forth in BellSouth's GSST, the discount shall be twenty-one point fifty-six percent (21.56%).
 - 3.2.2.1 In the event McLeodUSA resells Lifeline service to any end user in Tennessee, BellSouth will begin applying the sixteen percent (16%) discount rate to all services. Upon McLeodUSA and BellSouth's implementation of a billing arrangement whereby a separate Master Account (Q-account) associated with a separate OCN is established for billing of Lifeline service end users, the discount shall be applied as set forth in Section 3.2.2 above for the non-Lifeline affected Master Account (Q-account).
 - 3.2.2.2 McLeodUSA must provide written notification to BellSouth within thirty (30) days prior to either providing its own operator services/directory services or ordering the appropriate operator services/directory assistance blocking, to qualify for the higher discount rate of twenty-one point fifty-six percent (21.56%).
- 3.3 McLeodUSA may purchase resale services from BellSouth for its own use in operating its business. The resale discount will apply to those services under the following conditions:
 - 3.3.1 McLeodUSA must resell services to other end users.
 - 3.3.2 McLeodUSA cannot be a CLEC for the single purpose of selling to itself.
 - 3.3.3 McLeodUSA will be the Customer of Record for all services purchased from BellSouth. Except as specified herein, BellSouth will take orders from, bill and receive payment from McLeodUSA for said services.
- 3.4 McLeodUSA will be BellSouth's single point of contact for all services purchased pursuant to this Agreement. BellSouth shall have no contact with the customer except to the extent provided for herein.
- 3.5 BellSouth will continue to bill the customer for any services that the customer specifies it wishes to receive directly from BellSouth. BellSouth maintains the right to serve directly any customer within the service area of McLeodUSA. BellSouth will continue to market directly its own Telecommunications products and services and in doing so may establish independent relationships with customers of McLeodUSA. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
 - 3.5.1 BellSouth will accept a request from another CLEC for conversion of the customer's service from McLeodUSA to such other CLEC. Upon completion of

the conversion BellSouth will notify McLeodUSA that such conversion has been completed.

- 3.5.2 When a customer of McLeodUSA or BellSouth elects to change his/her carrier to the other Party, both Parties agree to release the customer's service to the other Party concurrent with the due date of the service order, which shall be established based on the standard interval for the customer's requested service as set forth in the BellSouth Product and Services Interval Guide.
- 3.5.3 BellSouth and McLeodUSA will refrain from contacting an customer who has placed or whose selected carrier has placed on the customer's behalf an order to change the customer's service provider from BellSouth or McLeodUSA to the other Party until such time that the order for service has been completed.
- 3.6 Current telephone numbers may normally be retained by the customer and are assigned to the service furnished. However, neither Party nor the customer has a property right to the telephone number or any other call number designation associated with services furnished by BellSouth, and no right to the continuance of service through any particular central office. BellSouth reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever BellSouth deems it necessary to do so in the conduct of its business and in accordance with BellSouth practices and procedures on a nondiscriminatory basis.
- 3.7 Where BellSouth provides resold services to McLeodUSA, BellSouth will provide McLeodUSA with online access to available telephone numbers as defined by applicable FCC rules and regulations on a first come first served basis. McLeodUSA acknowledges that such access to numbers shall be in accordance with the appropriate FCC rules and regulations. McLeodUSA acknowledges that there may be instances where there is a shortage of telephone numbers in a particular Common Language Location Identifier Code (CLLIC); and in such instances, McLeodUSA shall return unused intermediate telephone numbers to BellSouth upon BellSouth's request. BellSouth shall make all such requests on a nondiscriminatory basis.
- 3.8 BellSouth will allow McLeodUSA to designate up to one hundred (100) intermediate telephone numbers per CLLIC, for McLeodUSA's sole use. Assignment, reservation and use of telephone numbers shall be governed by applicable FCC rules and regulations. McLeodUSA acknowledges that there may be instances where there is a shortage of telephone numbers in a particular CLLIC and BellSouth has the right to limit access to blocks of intermediate telephone numbers. These instances include: 1) where jeopardy status has been declared by the North American Numbering Plan (NANP) for a particular Numbering Plan Area (NPA); or 2) where a rate center has less than six (6) months supply of numbering resources.
- 3.9 Service is furnished subject to the condition that it will not be used for any unlawful purpose.

- 3.10 Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- 3.11 BellSouth can refuse service when it has grounds to believe that service will be used in violation of the law.
- 3.12 If McLeodUSA or its customers utilize a BellSouth resold Telecommunications Service in a manner other than that for which the service was originally intended as described in BellSouth's retail tariffs McLeodUSA has the responsibility to notify BellSouth. BellSouth will only provision and maintain said service consistent with the terms and conditions of the tariff describing said service.
- 3.13 Facilities and/or equipment utilized by BellSouth to provide service to McLeodUSA remain the property of BellSouth.
- 3.14 Service Ordering and Operations Support Systems (OSS)
- 3.14.1 McLeodUSA must order services through resale interfaces, i.e., the Local Carrier Service Center (LCSC) and/or appropriate Complex Resale Support Group (CRSG) pursuant to this Agreement. McLeodUSA may submit a Local Service Request (LSR) electronically as set forth in Attachment 2. Service orders will be in a standard format designated by BellSouth.
- 3.14.2 BellSouth messaging services set forth in BellSouth's Messaging Service Re-Seller Information Package shall be made available for resale without the wholesale discount.
- 3.15 BellSouth's Inside Wire Maintenance Service Plan is available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.
- 3.16 In the event McLeodUSA acquires a customer whose service is provided pursuant to a BellSouth Special Assembly, BellSouth shall make available to McLeodUSA that Special Assembly at the wholesale discount at McLeodUSA's option. McLeodUSA shall be responsible for all terms and conditions of such Special Assembly including but not limited to termination liability if applicable.
- 3.17 BellSouth shall provide 911/E911 for McLeodUSA customers in the same manner that it is provided to BellSouth customers. BellSouth shall provide and validate McLeodUSA customer information to the Public Safety Answering Point (PSAP). BellSouth shall use its service order process to update and maintain, on the same schedule that it uses for its customers, the McLeodUSA customer information in the Automatic Location Identification/Data Management System (ALI/DMS) databases used to support 911/E911 services.
- 3.18 Pursuant to 47 C.F.R. § 51.617, BellSouth shall bill to McLeodUSA, and McLeodUSA shall pay, the End User Common Line (EUCL) charges identical to the EUCL charges BellSouth bills its customers.
- 4 BellSouth's Provision of Services to McLeodUSA**
- 4.1 Resale of BellSouth services shall be as follows:

- 4.1.1 The resale of Telecommunications Services shall be limited to users and uses conforming to the class of service restrictions.
- 4.1.2 Hotel and Hospital PBX services are the only Telecommunications Services available for resale to Hotel/Motel and Hospital customers, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Payphone Service Provider (PSP) customers. Shared Tenant Service customers can only be sold those local exchange access services available in BellSouth's GSST Section A23, Shared Tenant Service Section in the states of Florida, Georgia, North Carolina and South Carolina, and in A27 in the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee.
- 4.1.3 BellSouth reserves the right to periodically audit services purchased by McLeodUSA to establish authenticity of use. Such audit shall not occur more than once in a calendar year. McLeodUSA shall make any and all records and data available to BellSouth or BellSouth's auditors on a reasonable basis. BellSouth shall bear the cost of said audit. Any information provided by McLeodUSA for purposes of such audit shall be deemed Confidential Information pursuant to the General Terms and Conditions.
- 4.2 Subject to Exhibit A hereto, resold services can only be used in the same manner as specified in BellSouth's Tariffs. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual customer of BellSouth in the appropriate section of BellSouth's Tariffs. Specific tariff features (e.g., a usage allowance per month) shall not be aggregated across multiple resold services.
- 4.3 If McLeodUSA cancels an order for resold services, any costs incurred by BellSouth in conjunction with provisioning of such order will be recovered in accordance with BellSouth's GSST and Private Line Services Tariffs.
- 4.4 Service Jointly Provisioned with an Independent Company or CLEC
- 4.4.1 BellSouth will in some instances provision resold services in accordance with BellSouth's GSST and Private Line Tariffs jointly with an Independent Company (ICO) or other CLEC.
- 4.4.2 When McLeodUSA assumes responsibility for such service, all terms and conditions defined in the Tariff will apply for services provided within the BellSouth service area only.
- 4.4.3 Service terminating in an ICO or other CLEC area will be provisioned and billed by the ICO or other CLEC directly to McLeodUSA.
- 4.4.4 McLeodUSA must establish a billing arrangement with the ICO or other CLEC prior to assuming a customer account where such circumstances apply.
- 4.4.5 Specific guidelines regarding such services are available on the BellSouth Interconnection Web site.

5. Maintenance of Services

- 5.1 Services resold pursuant to this Attachment and BellSouth's GSST and Private Line Service Tariff and facilities and equipment provided by BellSouth shall be maintained by BellSouth.
- 5.2 McLeodUSA or its customers may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by BellSouth except with the written consent of BellSouth.
- 5.3 McLeodUSA accepts responsibility to notify BellSouth of situations that arise that may result in a service problem.
- 5.4 McLeodUSA will contact the appropriate repair centers in accordance with procedures established by BellSouth.
- 5.5 For all repair requests, McLeodUSA shall adhere to BellSouth's prescreening guidelines prior to referring the trouble to BellSouth.
- 5.6 BellSouth reserves the right to contact McLeodUSA's customers, if deemed necessary, for maintenance purposes.

6. Discontinuance of Service

- 6.1 The procedures for discontinuing service to a customer are as follows:
 - 6.1.1 BellSouth will deny service to McLeodUSA's customer on behalf of, and at the request of, McLeodUSA. Upon restoration of the customer's service, restoral charges will apply and will be the responsibility of McLeodUSA.
 - 6.1.2 At the request of McLeodUSA, BellSouth will disconnect a McLeodUSA customer.
 - 6.1.3 All requests by McLeodUSA for denial or disconnection of a customer for nonpayment must be in writing.
 - 6.1.4 McLeodUSA will be made solely responsible for notifying the customer of the proposed disconnection of the service.
 - 6.1.5 BellSouth will continue to process calls made to the Annoyance Call Center and will advise McLeodUSA when it is determined that annoyance calls are originated from one of its customer's locations. BellSouth shall be indemnified, defended and held harmless by McLeodUSA and/or the customer against any claim, loss or damage arising from providing this information to McLeodUSA. It is the responsibility of McLeodUSA to take the corrective action necessary with its customer who make annoying calls. (Failure to do so will result in BellSouth's disconnecting the customer's service.)

7. White Pages Listings

- 7.1 BellSouth shall provide McLeodUSA and its end users access to white pages directory listings under the following terms:
 - 7.1.1 Listings. McLeodUSA shall provide all new, changed and deleted listings on a timely basis and BellSouth or its agent will include McLeodUSA residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories in the geographic areas covered by this

Agreement. Directory listings will make no distinction between McLeodUSA and BellSouth customers. McLeodUSA shall provide listing information in accordance with the procedures set forth in The BellSouth Business Rules for Local Ordering found at BellSouth's Interconnection Services Web site.

- 7.1.2 Unlisted/Non-Published Customers. McLeodUSA will be required to provide to BellSouth the names, addresses and telephone numbers of all McLeodUSA customers who wish to be omitted from directories. Unlisted/Non-Published listings will be subject to the rates as set forth in BellSouth's GSST and shall not be subject to the wholesale discount.
- 7.1.3 Inclusion of McLeodUSA Customers in Directory Assistance Database. BellSouth will include and maintain McLeodUSA customer listings in BellSouth's Directory Assistance databases. McLeodUSA shall provide such Directory Assistance listings to BellSouth at no charge.
- 7.1.4 Listing Information Confidentiality. BellSouth will afford McLeodUSA's directory listing information the same level of confidentiality that BellSouth affords its own directory listing information.
- 7.1.5 Additional and Designer Listings. Additional and designer listings will be offered by BellSouth at tariffed rates as set forth in BellSouth's GSST and shall not be subject to the wholesale discount.
- 7.1.6 Rates. So long as McLeodUSA provides listing information to BellSouth as set forth in Section 7.1.2 above, BellSouth shall provide to McLeodUSA one (1) basic White Pages directory listing per McLeodUSA customer at no charge other than the manual service order charge or the electronic service order charge, as appropriate, as described in Attachment 2.
- 7.2 Directories. BellSouth or its agent shall make available White Pages directories to McLeodUSA customer at no charge or as specified in a separate agreement between McLeodUSA and BellSouth's agent.
- 7.3 Procedures for submitting McLeodUSA Subscriber Listing Information (SLI) are found in The BellSouth Business Rules for Local Ordering found at BellSouth's Interconnection Services Web site.
- 7.3.1 McLeodUSA authorizes BellSouth to release all McLeodUSA SLI provided to BellSouth by McLeodUSA to qualifying third parties pursuant to either a license agreement or BellSouth's Directory Publishers Database Service (DPDS) in BellSouth's GSST. Such McLeodUSA SLI shall be intermingled with BellSouth's own customer listings and listings of any other CLEC that has authorized a similar release of SLI.
- 7.3.2 No compensation shall be paid to McLeodUSA for BellSouth's receipt of McLeodUSA's SLI, or for the subsequent release to third parties of such SLI. In addition, to the extent BellSouth incurs costs to modify its systems to enable the release of McLeodUSA's SLI, or costs on an ongoing basis to administer the release of McLeodUSA's SLI, McLeodUSA shall pay to BellSouth its proportionate share of the reasonable costs associated therewith. At any time that costs may be incurred to administer the release of McLeodUSA's SLI,

McLeodUSA will be notified. If McLeodUSA does not wish to pay its proportionate share of these reasonable costs, McLeodUSA may instruct BellSouth that it does not wish to release its SLI to independent publishers, and McLeodUSA shall amend this Agreement accordingly. McLeodUSA will be liable for all costs incurred until the effective date of the amendment.

- 7.3.3 Neither BellSouth nor any agent shall be liable for the content or accuracy of any SLI provided by McLeodUSA under this Agreement. McLeodUSA shall indemnify, except to the extent caused by BellSouth's gross negligence or willful misconduct, hold harmless and defend BellSouth and its agents from and against any damages, losses, liabilities, demands, claims, suits, judgments, costs and expenses (including but not limited to reasonable attorneys' fees and expenses) arising from BellSouth's Tariff obligations or otherwise and resulting from or arising out of any third party's claim of inaccurate McLeodUSA listings or use of the SLI provided pursuant to this Agreement. BellSouth may forward to McLeodUSA any complaints received by BellSouth relating to the accuracy or quality of McLeodUSA listings.
- 7.3.4 Listings and subsequent updates will be released consistent with BellSouth system changes and/or update scheduling requirements.

8. Operator Services (Operator Call Processing and Directory Assistance)

- 8.1 Operator Call Processing (OCP) provides: (1) operator handling for call completion (for example, collect, third number billing, and manual calling-card calls); (2) operator or automated assistance for billing after the customer has dialed the called number (for example, calling card calls); and (3) special services including but not limited to Busy Line Verification and Emergency Line Interrupt (ELI), Emergency Agency Call and operator-assisted Directory Assistance (DA).
- 8.2 Upon request for BellSouth OCP, BellSouth shall:
- 8.2.1 Process 0+ and 0- dialed local calls.
 - 8.2.2 Process 0+ and 0- intraLATA toll calls.
 - 8.2.3 Process calls that are billed to McLeodUSA customer's calling card that can be validated by BellSouth.
 - 8.2.4 Process person-to-person calls.
 - 8.2.5 Process collect calls.
 - 8.2.6 Provide the capability for callers to bill a third party and shall also process such calls.
 - 8.2.7 Process station-to-station calls.
 - 8.2.8 Process Busy Line Verify and ELI requests.
 - 8.2.9 Process emergency call trace originated by PSAP.
 - 8.2.10 Process operator-assisted DA calls.
 - 8.2.11 Adhere to equal access requirements, providing McLeodUSA local customer the same IXC access that BellSouth provides its own operator service (OS).

- 8.2.12 Exercise at least the same level of fraud control in providing OS to McLeodUSA that BellSouth provides for its own OS.
- 8.2.13 Perform Billed Number Screening when handling Collect, Person-to-Person, and Billed-To-Third-Party calls.
- 8.2.14 Direct customer account and other similar inquiries to the customer service center designated by McLeodUSA.
- 8.3 Upon McLeodUSA's request BellSouth shall provide call records to McLeodUSA in accordance with Optional Daily Usage File (ODUF) standards.
- 8.4 The interface requirements shall conform to the interface specifications for the platform used to provide OS as long as the interface conforms to industry standards.
- 8.5 DA Service
- 8.5.1 DA Service provides local and non-local customer telephone number listings with the option to complete the call at the caller's direction separate and distinct from local switching.
- 8.5.2 DA Service shall provide up to two (2) listing requests per call, if available and if requested by McLeodUSA's customer. BellSouth shall provide caller-optional DA call completion service at rates set forth in BellSouth's GSST to one of the provided listings.
- 8.6 DA Service Updates. BellSouth shall update customer listings changes daily. These changes include:
 - 8.6.1 New customer connections;
 - 8.6.2 Customer disconnections;
 - 8.6.3 Customer address changes; and
 - 8.6.4 Non-listed and non-published numbers for use in emergencies.
- 9. Branding for Wholesale OCP and DA**
- 9.1 BellSouth's branding feature provides a definable announcement to McLeodUSA's customers using BellSouth's DA/OCP prior to placing such customers in queue or connecting them to an available operator or automated operator system. This feature allows McLeodUSA to have its calls custom branded with McLeodUSA's name on whose behalf BellSouth is providing DA and/or OCP. Rates for the branding features are set forth in Exhibit D.
- 9.2 BellSouth offers three (3) branding options to McLeodUSA when ordering BellSouth's DA and OCP: BellSouth Branding, Unbranding and Custom Branding.
- 9.3 McLeodUSA's order for Custom Branding is considered firm ten (10) business days after BellSouth's receipt of the order. McLeodUSA may cancel its order more than ten (10) business days after BellSouth's receipt of the order. McLeodUSA shall notify BellSouth in writing and shall pay all charges per the order. For branding and unbranding via Originating Line Number Screening

(OLNS), McLeodUSA must contact its Local Contract Manager to initiate the order via the OLNS Branding Order form.

9.4 Branding via OLNS

9.4.1 BellSouth Branding, Unbranding and Custom Branding are also available for DA, OCP or both via OLNS software. When utilizing this method of Unbranding or Custom Branding, McLeodUSA shall not be required to purchase dedicated trunking.

9.4.2 BellSouth Branding is the default branding offering.

9.4.3 For BellSouth to provide Unbranding or Custom Branding via OLNS software for OCP or for DA, McLeodUSA must have its OCN(s) and telephone numbers reside in BellSouth's Line Information Database (LIDB). To implement Unbranding and Custom Branding via OLNS software, McLeodUSA must submit a manual order form which requires, among other things, McLeodUSA's OCN and a forecast, pursuant to the appropriate BellSouth form provided, for the traffic volume anticipated for each BellSouth Traffic Operator Position System (TOPS) during the peak busy hour. McLeodUSA shall provide updates to such forecast on a quarterly basis and at any time such forecasted traffic volumes are expected to change significantly. Upon McLeodUSA's purchase of Unbranding or Custom Branding using OLNS software for any particular TOPS, all McLeodUSA customers served by that TOPS will receive the Unbranded "no announcement" or the Custom Branded announcement.

10. LIDB

10.1 BellSouth LIDB stores current information on working telephone numbers and billing account numbers.

10.2 Where McLeodUSA is purchasing Resale services BellSouth shall utilize BellSouth's service order generated from McLeodUSA LSR's to populate LIDB with McLeodUSA's customer information. BellSouth provides access to information in its LIDB, including McLeodUSA customer information, to its LIDB customers via queries to LIDB.

10.2.1 When necessary for fraud control measures, BellSouth may perform additions, updates and deletions of McLeodUSA data to the LIDB (e.g., calling card deactivation).

10.2.2 McLeodUSA will not be charged a fee for LIDB storage services provided by BellSouth to McLeodUSA pursuant to this Attachment.

10.3 Responsibilities of the Parties

10.3.1 BellSouth will administer the data provided by McLeodUSA pursuant to this Agreement in the same manner as BellSouth administers its own data.

10.3.2 McLeodUSA is responsible for completeness and accuracy of the data being provided to BellSouth.

10.3.3 BellSouth shall not be responsible to McLeodUSA for any lost revenue which may result from BellSouth's administration of the LIDB pursuant to its

established practices and procedures as they exist and as they may be changed by BellSouth in its sole discretion from time to time.

11. Revenue Accounting Office (RAO) Hosting

11.2 RAO Hosting is not required for resale in the BellSouth region.

12. Optional Daily Usage File (ODUF)

12.1 The ODUF Agreement with terms and conditions is included in this Attachment as Exhibit B. Rates for ODUF are as set forth in Exhibit D.

12.2 BellSouth will provide ODUF service upon written request.

13. Enhanced Optional Daily Usage File (EODUF)

13.1 The EODUF service Agreement with terms and conditions is included in this Attachment as Exhibit C. Rates for EODUF are as set forth in Exhibit D.

13.2 BellSouth will provide EODUF service upon written request.

EXCLUSIONS AND LIMITATIONS ON SERVICES AVAILABLE FOR RESALE (Note 4)

Type of Service	AL		FL		GA		KY		LA		MS		NC		SC		TN	
	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount
1 Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Promotions - > 90 Days(Note 2&3)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 Promotions - < 90 Days (Note 2 & 3)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
4 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6 N11 Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
7 MemoryCall®Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
8 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Nonrecurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
11 EUCL Charge	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Public Telephone Access Svc(PTAS)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
13 Inside Wire Maint Service Plan	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Applicable Notes:																		
1.	Grandfathered services can be resold only to existing subscribers of the grandfathered service.																	
2.	Where available for resale, promotions will be made available only to customers who would have qualified for the promotion had it been provided by BellSouth directly. Promotions shall be available only for the term set forth in the applicable tariff.																	
3.	Promotions shall be available only for the term set forth in the applicable tariff.																	
4.	Some of BellSouth's local exchange and toll Telecommunications Services are not available in certain central offices and areas.																	

Optional Daily Usage File

1. Upon written request from McLeodUSA, BellSouth will provide the ODUF service to McLeodUSA pursuant to the terms and conditions set forth in this section.
2. McLeodUSA shall furnish all relevant information required by BellSouth for the provision of the ODUF.
3. The ODUF feed provides McLeodUSA messages that were carried over the BellSouth network and processed by BellSouth for McLeodUSA.
4. Charges for ODUF will appear on McLeodUSA's monthly bills for the previous month's usage in arrears. The charges are as set forth in Exhibit D.
5. The ODUF feed will contain both rated and unrated messages. All messages will be in the standard Alliance for Telecommunications Industry Solutions (ATIS) Exchange Message Interface (EMI) record format.
6. ODUF Specifications
 - 6.1 ODUF Message to be Transmitted
 - 6.1.1 The following messages recorded by BellSouth will be transmitted to McLeodUSA:
 - 6.1.1.1 Message recording for per use/per activation type services (examples: Three Way Calling, Verify, Interrupt, Call Return, etc.);
 - 6.1.1.2 Measured local calls;
 - 6.1.1.3 Directory Assistance messages;
 - 6.1.1.4 IntraLATA Toll;
 - 6.1.1.5 WATS and 800 Service;
 - 6.1.1.6 N11;
 - 6.1.1.7 Information Service Provider Messages;
 - 6.1.1.8 OS Messages;
 - 6.1.1.9 OS Message Attempted Calls;
 - 6.1.1.10 Credit/Cancel Records; and
 - 6.1.1.11 Usage for Voice Mail Message Service.
 - 6.1.2 Rated Incollects (messages BellSouth receives from other revenue accounting offices) appear on ODUF. Rated Incollects will be intermingled with BellSouth recorded rated and unrated usage. Rated Incollects will not be packed separately.
 - 6.1.3 BellSouth will perform duplicate record checks on records processed to ODUF. Any duplicate messages detected will be deleted and not sent to McLeodUSA.

- 6.1.4 In the event that McLeodUSA detects a duplicate on ODUF they receive from BellSouth, McLeodUSA will drop the duplicate message and will not return the duplicate to BellSouth.
- 6.2 ODUF Physical File Characteristics
- 6.2.1 ODUF will be distributed to McLeodUSA via Secure File Transfer Protocol (FTP). The ODUF feed will be a variable block format. The data on the ODUF feed will be in a non-compacted EMI format (one hundred seventy-five (175) byte format plus modules). It will be created on a daily basis Monday through Friday except holidays. Details such as dataset name and delivery schedule will be addressed during negotiations of the distribution medium. There will be a maximum of one (1) dataset per workday per OCN. If BellSouth determines the Secure FTP Mailbox is nearing capacity levels, BellSouth may move the customer to CONNECT:Direct file delivery.
- 6.2.2 If the customer is moved, CONNECT:Direct data circuits (private line or dial-up) will be required between BellSouth and McLeodUSA for the purpose of data transmission. Where a dedicated line is required, McLeodUSA will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. McLeodUSA will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit messages successfully on an ongoing basis will be negotiated on an individual case basis. Any costs incurred for such equipment will be McLeodUSA's responsibility. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to McLeodUSA. Additionally, all message toll charges associated with the use of the dial circuit by McLeodUSA will be the responsibility of McLeodUSA. Associated equipment on the BellSouth end, including a modem, will be negotiated on an individual case basis between the Parties. All equipment, including modems and software, that is required on McLeodUSA's end for the purpose of data transmission will be the responsibility of McLeodUSA.
- 6.2.3 If McLeodUSA utilizes FTP for data file transmission, purchase of the FTP software will be the responsibility of McLeodUSA.
- 6.3 ODUF Packing Specifications
- 6.3.1 The data will be packed using ATIS EMI records. A pack will contain a minimum of one (1) message record or a maximum of ninety-nine thousand nine hundred and ninety-nine (99,999) message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of ninety-nine (99) packs and a minimum of one (1) pack.
- 6.3.2 The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to McLeodUSA which BellSouth RAO is sending the message. BellSouth and McLeodUSA will use the invoice sequencing to control data exchange. BellSouth will be notified of sequence failures identified by McLeodUSA and resend the data as appropriate.

6.4 ODUF Pack Rejection

- 6.4.1 McLeodUSA will notify BellSouth within one (1) business day of rejected packs (via the mutually agreed medium). Packs could be rejected because of pack sequencing discrepancies or a critical edit failure on the Pack Header or Pack Trailer records (e.g., out-of-balance condition on grand totals, invalid data populated). Standard ATIS EMI error codes will be used. McLeodUSA will not be required to return the actual rejected data to BellSouth. Rejected packs will be corrected and retransmitted to McLeodUSA by BellSouth.

6.5 ODUF Control Data

- 6.5.1 McLeodUSA will send one confirmation record per pack that is received from BellSouth. This confirmation record will indicate McLeodUSA's receipt of the pack and the acceptance or rejection of the pack. Pack Status Code(s) will be populated using standard ATIS EMI error codes for packs that were rejected by McLeodUSA for reasons stated in the above section.

6.6 ODUF Testing

- 6.6.1 Upon request from McLeodUSA, BellSouth shall send ODUF test files to McLeodUSA. The Parties agree to review and discuss the ODUF file content and/or format. For testing of usage results, BellSouth shall request that McLeodUSA set up a production (live) file. The live test may consist of McLeodUSA's employees making test calls for the types of services McLeodUSA requests on ODUF. These test calls are logged by McLeodUSA, and the logs are provided to BellSouth. These logs will be used to verify the files. Testing will be completed within thirty (30) days from the date on which the initial test file was sent.

Enhanced Optional Daily Usage File

1. Upon written request from McLeodUSA, BellSouth will provide the EODUF service to McLeodUSA pursuant to the terms and conditions set forth in this section. EODUF will only be sent to existing ODUF subscribers who request the EODUF option.
2. McLeodUSA shall furnish all relevant information required by BellSouth for the provision of the EODUF.
3. The EODUF will provide usage data for local calls originating from resold Flat Rate Business and Residential Lines.
4. Charges for EODUF will appear on McLeodUSA's monthly bills for the previous month's usage in arrears. The charges are as set forth in Exhibit D.
5. All messages will be in the standard ATIS EMI record format.
6. Messages that error in the billing system of McLeodUSA will be the responsibility of McLeodUSA. If, however, McLeodUSA should encounter significant volumes of errored messages that prevent processing by McLeodUSA within its systems, BellSouth will work with McLeodUSA to determine the source of the errors and the appropriate resolution.
7. EODUF Specifications
 - 7.1 EODUF Usage To Be Transmitted
 - 7.1.1 The following messages recorded by BellSouth will be transmitted to McLeodUSA:
 - 7.1.1.1 Customer usage data for flat rated local calls originating from McLeodUSA's customer lines (1FB or 1FR). The EODUF record for flat rate messages will include:
 - 7.1.1.1.1 Date of Call
 - 7.1.1.1.2 From Number
 - 7.1.1.1.3 To Number
 - 7.1.1.1.4 Connect Time
 - 7.1.1.1.5 Conversation Time
 - 7.1.1.1.6 Method of Recording
 - 7.1.1.1.7 From RAO
 - 7.1.1.1.8 Rate Class
 - 7.1.1.1.9 Message Type
 - 7.1.1.1.10 Billing Indicators

- 7.1.1.1.11 Bill to Number
- 7.1.2 BellSouth will perform duplicate record checks on EODUF records processed to ODUF. Any duplicate messages detected will be deleted and not sent to McLeodUSA.
- 7.1.3 In the event that McLeodUSA detects a duplicate on EODUF they receive from BellSouth, McLeodUSA will drop the duplicate message and will not return the duplicate to BellSouth.
- 7.2 EODUF Physical File Characteristics
 - 7.2.1 EODUF feed will be distributed to McLeodUSA via FTP. The EODUF messages will be intermingled among McLeodUSA's ODUF messages. The EODUF will be a variable block format. The data on the EODUF will be in a non-compacted EMI format (one hundred seventy-five (175) byte format plus modules). It will be created on a daily basis Monday through Friday except holiday. If BellSouth determines the Secure FTP mailbox is nearing capacity levels, BellSouth may move the customer to CONNECT:Direct file delivery.
 - 7.2.2 Data circuits (private line or dial-up) may be required between BellSouth and McLeodUSA for the purpose of data transmission. Where a dedicated line is required, McLeodUSA will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. McLeodUSA will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer and to transmit successfully ongoing will be negotiated on an individual case basis. Where a dial-up facility is required, dial circuits will be installed in the BellSouth data center by BellSouth and the associated charges assessed to McLeodUSA. Additionally, all message toll charges associated with the use of the dial circuit by McLeodUSA will be the responsibility of McLeodUSA. Associated equipment on the BellSouth end, including a modem, will be negotiated on an individual case basis between the Parties. All equipment, including modems and software, that is required on McLeodUSA's end for the purpose of data transmission will be the responsibility of McLeodUSA.
 - 7.2.3 If McLeodUSA utilizes FTP for data file transmission, purchase of the FTP software will be the responsibility of McLeodUSA.
- 7.3 EODUF Packing Specifications
 - 7.3.1 The data will be packed using ATIS EMI records. A pack will contain a minimum of one (1) message record or a maximum of ninety-nine thousand nine hundred and ninety-nine (99,999) message records plus a pack header record and a pack trailer record. One transmission can contain a maximum of ninety-nine (99) packs and a minimum of one (1) pack.
 - 7.3.2 The OCN, From RAO, and Invoice Number will control the invoice sequencing. The From RAO will be used to identify to McLeodUSA which BellSouth RAO is sending the message. BellSouth and McLeodUSA will use the invoice

sequencing to control data exchange. BellSouth will be notified of sequence failures identified by McLeodUSA and resend the data as appropriate.

RESALE DISCOUNTS & RATES - Louisiana											Attachment: 1 Exh D							
CATEGORY	RATE ELEMENTS				Interim	Zone	BCS	USOC	RATES(\$)				Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Incremental Charge - Manual Svc Order vs. Electronic-1st	Incremental Charge - Manual Svc Order vs. Electronic-Add'l	Incremental Charge - Manual Svc Order vs. Electronic-Disc 1st	Incremental Charge - Manual Svc Order vs. Electronic-Disc Add'l
								Rec	Nonrecurring		Nonrecurring Disconnect		OSS Rates(\$)					
									First	Add'l	First	Add'l	SOMECD	SOMAND	SOMAN	SOMAN	SOMAN	SOMAN
APPLICABLE DISCOUNTS																		
									20.72									
									20.72									
									9.05									
OPERATIONS SUPPORT SYSTEMS (OSS) - "REGIONAL RATES"																		
NOTE: (1) CLEC should contact its contract negotiator if it prefers the "state specific" OSS charges as ordered by the State Commissions. The OSS charges currently contained in this rate exhibit are the BellSouth "regional" service ordering charges. CLEC may elect either the state specific Commission ordered rates for the service ordering charges, or CLEC may elect the regional service ordering charge, however, CLEC can not obtain a mixture of the two regardless if CLEC has a interconnection contract established in																		
									SOMECD		3.50	0.00	3.50	0.00				
									SOMAND		19.99	0.00	19.99	0.00				
ODUF/EODUF SERVICES																		
OPTIONAL DAILY USAGE FILE (ODUF)																		
											0.0000117							
											0.004641							
											48.45							
											0.00010568							
ENHANCED OPTIONAL DAILY USAGE FILE (EODUF)																		
											0.250015							
SELECTIVE CALL ROUTING USING LINE CLASS CODES (SCR-LCC)																		
											82.25	82.25						
DIRECTORY ASSISTANCE CUSTOM BRANDING ANNOUNCEMENT via OLNS SOFTWARE																		
											3,000.00	3,000.00						
											1,170.00	1,170.00						
DIRECTORY ASSISTANCE UNBRANDING via OLNS SOFTWARE																		
											420.00	420.00						
											16.00	16.00						
OPERATOR ASSISTANCE CUSTOM BRANDING ANNOUNCEMENT via OLNS SOFTWARE																		
											7,000.00	7,000.00						
											500.00	500.00						
											1,170.00	1,170.00						
OPERATOR ASSISTANCE UNBRANDING via OLNS SOFTWARE																		
											1,200.00	1,200.00						

Attachment 2

**Pre-Ordering, Ordering, Provisioning,
Maintenance and Repair**

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PRE-ORDERING, ORDERING, PROVISIONING, MAINTENANCE AND REPAIR

1. Quality of Pre-Ordering, Ordering, Provisioning, Maintenance and Repair

- 1.1 BellSouth shall provide to McLeodUSA nondiscriminatory access to its OSS and the necessary information contained therein in order that McLeodUSA can perform the functions of pre-ordering, ordering, provisioning, maintenance and repair, and billing. BellSouth shall provide McLeodUSA with all relevant documentation (manuals, user guides, specifications, etc.) regarding business rules and other formatting information as well as practices and procedures necessary to ensure requests are efficiently processed. All documentation will be readily accessible at BellSouth's Interconnection Web site. BellSouth shall ensure that its OSS are designed to accommodate requests for both current and projected demands of McLeodUSA and other CLECs in the aggregate.

2. Access to Operations Support Systems

- 2.1 BellSouth shall provide to McLeodUSA nondiscriminatory access to its OSS and the necessary information contained therein in order that McLeodUSA can perform the functions of pre-ordering, ordering, provisioning, maintenance and repair, and billing. BellSouth shall provide nondiscriminatory access to the OSS through manual and/or electronic interfaces as described in this Attachment. It is the sole responsibility of McLeodUSA to obtain the technical capability to access and utilize BellSouth's OSS interfaces. Specifications for McLeodUSA's access and use of BellSouth's electronic interfaces are set forth at BellSouth's Interconnection Web site.

- 2.1.1 McLeodUSA agrees to comply with the provisions of the OSS Interconnection Volume Guidelines as set forth at BellSouth's Interconnection Web site.

2.2 Pre-Ordering

- 2.2.1 BellSouth will provide electronic access to its OSS and the information contained therein in order that McLeodUSA can perform the following pre-ordering functions: service address validation, telephone number selection, service and feature availability, due date information, customer record information and loop makeup information. Mechanized access is provided by electronic interfaces whose specifications for access and use are set forth at BellSouth's Interconnection Web site. The process by which the Parties will manage these electronic interfaces to include the development and introduction of new interfaces will be governed by the change management process as described in Section 2.7 below.

- 2.2.2 BellSouth shall provide to McLeodUSA electronic access to customer service record information in accordance with the applicable performance intervals referenced in Attachment 9. If electronic access is not available, BellSouth shall provide to McLeodUSA such information within twenty-four (24) hours. McLeodUSA shall provide to BellSouth access to customer record information, including circuit numbers associated with each telephone number where applicable. McLeodUSA shall provide such information within four (4) hours after request via electronic access where available. If electronic access is not available, McLeodUSA shall provide to BellSouth paper copies of customer record information, including circuit numbers associated with each telephone number where applicable. McLeodUSA shall provide to BellSouth such customer service records within twenty-four (24) hours of a valid request, exclusive of Saturdays, Sundays and holidays.
- 2.2.3 The Parties agree not to view, copy, or otherwise obtain access to the customer record information of any customer without that customer's permission. McLeodUSA will obtain access to customer record information only in strict compliance with applicable laws, rules, or regulations of the state in which the service is provided. BellSouth reserves the right to audit McLeodUSA's access to customer record information. If BellSouth has reason to believe, through its audit or by any other means, that McLeodUSA is accessing customer record information without having obtained the proper customer authorization, BellSouth upon reasonable notice to McLeodUSA may take corrective action, including but not limited to suspending or terminating McLeodUSA's access to BellSouth's pre-ordering and ordering OSS, and the provisioning of pending and existing services.
- 2.3 Ordering
- 2.3.1 BellSouth will make available to McLeodUSA electronic interfaces for the purpose of exchanging order information, including order status and completion notification, for non-complex and certain complex resale requests. Specifications for access and use of BellSouth's electronic interfaces are set forth at BellSouth's Interconnection Web site. The process by which the Parties will manage these electronic interfaces to include the development and introduction of new interfaces will be governed by the change management process as described in Section 2.7 below.
- 2.3.2 McLeodUSA shall place orders for services by submitting a LSR to BellSouth. BellSouth shall bill McLeodUSA an electronic service order charge at the rate set forth in the applicable Attachment to this Agreement for each LSR submitted by means of an electronic interface. BellSouth shall bill McLeodUSA a manual service order charge at the rate set forth in the applicable Attachment to this Agreement for each LSR submitted by means other than the electronic Interfaces (e.g., mail, fax, courier, etc.). An individual LSR will be identified for billing purposes by its PON.

- 2.3.2.1 McLeodUSA may submit an LSR to request that a customer's service be temporarily suspended, denied, or restored. Alternatively, McLeodUSA may submit a list of such customers if McLeodUSA provides a separate PON for each location on the list. BellSouth will bill an electronic or manual service order charge for each location.
- 2.3.2.2 BellSouth will bill the electronic or manual service order charge, as applicable, for an LSR, regardless of whether that LSR is later supplemented, clarified or cancelled.
- 2.3.2.3 Notwithstanding the foregoing, BellSouth will not bill an additional electronic or manual service order charge for supplements to any LSR submitted to clarify, correct, change or cancel a previously submitted LSR.
- 2.3.2.4 BellSouth shall return a Firm Order Confirmation (FOC) or LSR clarification in accordance with the applicable performance intervals referenced in Attachment 9. McLeodUSA shall provide to BellSouth a FOC within twenty-four (24) hours of the receipt from BellSouth of a complete and accurate LSR, exclusive of Saturdays, Sundays and holidays. McLeodUSA shall provide to BellSouth an LSR clarification within twenty-four (24) hours of the receipt from BellSouth of an incomplete and inaccurate LSR, exclusive of Saturdays, Sundays and holidays.
- 2.4 Provisioning
- 2.4.1 BellSouth shall provision services during its regular working hours. To the extent McLeodUSA requests provisioning of service to be performed outside BellSouth's regular working hours, or the work so requested requires BellSouth's technicians or project managers to work outside of regular working hours, overtime charges set forth in BellSouth's intrastate Access Services Tariff, Section E13.2, shall apply. Notwithstanding the foregoing, if such work is performed outside of regular working hours by a BellSouth technician or project manager during his or her scheduled shift and BellSouth does not incur any overtime charges in performing the work on behalf of McLeodUSA, BellSouth will not assess McLeodUSA additional charges beyond the rates and charges specified in this Agreement.
- 2.4.2 In the event BellSouth must dispatch to the customer's location more than once due to incorrect or incomplete information provided by McLeodUSA (e.g., incomplete address, incorrect contact name/number, etc.), BellSouth will bill McLeodUSA for each additional dispatch required to provision the circuit due to the incorrect/incomplete information provided. BellSouth will assess the applicable Maintenance of Service rates from BellSouth's FCC No. 1 Tariff, Section 13.3.1.

- 2.4.3 Cancellation Charges. If McLeodUSA cancels an LSR for resold services subsequent to BellSouth's generation of a service order, any costs incurred by BellSouth in conjunction with provisioning of Services as requested on the cancelled LSR will be recovered in accordance with the cancellation methodology set forth in the Cancellation Charge Percentage Chart found on BellSouth's Interconnection Web site. In addition, BellSouth reserves the right to assess cancellation charges if McLeodUSA fails to respond within nine (9) business days to a Missed Appointment order notification.
- 2.5 Maintenance and Repair
- 2.5.1 BellSouth will make available to McLeodUSA electronic interfaces for the purpose of reporting and monitoring service troubles. Specifications for access and use of BellSouth's maintenance and repair electronic interfaces are set forth at BellSouth's Interconnection Web site. The process by which the Parties will manage these electronic interfaces to include the development and introduction of new interfaces will be governed by the change management process as described in Section 2.7 below. Requests for trouble repair are billed in accordance with the provisions of this Agreement. BellSouth and McLeodUSA agree to adhere to BellSouth's Operational Understanding. The Operational Understanding may be accessed via BellSouth's Interconnection Web site.
- 2.5.2 If McLeodUSA reports a trouble and no trouble is found in BellSouth's network, BellSouth will charge McLeodUSA a Maintenance of Service Charge for any dispatching and testing (both inside and outside the CO) required by BellSouth in order to confirm the working status. BellSouth will assess the applicable Maintenance of Service rates from BellSouth's FCC No. 1 Tariff, Section 13.3.1.
- 2.5.3 In the event BellSouth must dispatch to the customer's location more than once due to incorrect or incomplete information provided by McLeodUSA (e.g., incomplete address, incorrect contact name/number, etc.), BellSouth will bill McLeodUSA for each additional dispatch required to repair the circuit due to the incorrect/incomplete information provided. BellSouth will assess the applicable Maintenance of Service rates from BellSouth's FCC No. 1 Tariff, Section 13.3.1.
- 2.6 Billing. BellSouth will provide McLeodUSA nondiscriminatory access to billing information as specified in Attachment 7.
- 2.7 Change Management. The Parties agree that the collaborative change management process known as the Change Control Process (CCP) will be used to manage changes to existing interfaces, introduction of new interfaces and retirement of interfaces. The Parties agree to comply with the provisions of the documented CCP as may be amended from time to time and incorporated herein by reference. The change management process will cover changes to BellSouth's electronic interfaces, BellSouth's testing environment, associated manual process

improvements, and relevant documentation. The process will define a procedure for resolution of change management disputes. Documentation of the CCP as well as related information and processes will be clearly organized and readily accessible to McLeodUSA at BellSouth's Interconnection Web site.

- 2.8 Rates. Unless otherwise specified herein, charges for the use of BellSouth's OSS, and other charges applicable to pre-ordering, ordering, provisioning and maintenance and repair, shall be at the rates set forth in Exhibit D of Attachment 1.

3. Miscellaneous

- 3.1 Pending Orders. To the extent that McLeodUSA submits an LSR with incomplete, incorrect or conflicting information, BellSouth will return the LSR to McLeodUSA for clarification. McLeodUSA shall respond to the request for clarification within thirty (30) days by submitting a supplemental LSR. If McLeodUSA does not submit a supplement LSR within thirty (30) days, BellSouth will cancel the original LSR and McLeodUSA shall be required to submit a new LSR, with a new PON.

- 3.2 Single Point of Contact. McLeodUSA will be the single point of contact with BellSouth for ordering activity for resold services used by McLeodUSA to provide services to its customers, except that BellSouth may accept a request directly from another CLEC, or BellSouth, acting with authorization of the affected customer. McLeodUSA and BellSouth shall each execute a blanket LOA with respect to customer requests so that prior proof of customer authorization will not be necessary with every request (except in the case of a local service freeze). The Parties shall each be entitled to adopt their own internal processes for verification of customer authorization for requests, provided, however, that such processes shall comply with applicable state and federal law and industry and regulatory guidelines. Pursuant to a request from another carrier, BellSouth may disconnect any resold service being used by McLeodUSA to provide service to that customer and may reuse such facilities to enable such other carrier to provide service to the customer. BellSouth will notify McLeodUSA that such a request has been processed but will not be required to notify McLeodUSA in advance of such processing.

- 3.2.1 Neither Party shall prevent or delay a customer from migrating to another carrier because of unpaid bills, denied service, or contract terms.

- 3.2.2 Use of Facilities. When a customer of McLeodUSA elects to discontinue service and to transfer service to another local exchange carrier, including BellSouth, BellSouth shall have the right to reuse the facilities provided to McLeodUSA by BellSouth. In addition, where BellSouth provides local switching, BellSouth may disconnect and reuse facilities when the facility is in a denied state and BellSouth has received a request to establish new service or transfer service from a customer

or from a CLEC. BellSouth will notify McLeodUSA that such a request has been processed after the disconnect order has been completed.

- 3.3 Contact Numbers. The Parties agree to provide one another with toll-free nation-wide (50 states) contact numbers for the purpose of ordering, provisioning and maintenance of services. Contact numbers for maintenance/repair of services shall be staffed twenty-four (24) hours per day, seven (7) days per week. BellSouth will close trouble tickets after making a reasonable effort to contact McLeodUSA for authorization to close a ticket. BellSouth will place trouble tickets in delayed maintenance status after making a reasonable effort to contact McLeodUSA to request additional information or to request authorization for additional work deemed necessary by BellSouth.
- 3.4 Subscription Functions. In cases where BellSouth performs subscription functions for an IXC (i.e., PIC and LPIC changes via Customer Account Record Exchange (CARE)), BellSouth will in all possible instances provide the affected IXCs with the OCN of the local provider for the purpose of obtaining customer billing account and other customer information required under subscription requirements.
- 3.4.1 When McLeodUSA's customer, served by resale, changes its PIC or LPIC, and per BellSouth's FCC or state tariff the interexchange carrier elects to charge the customer the PIC or LPIC change charge, BellSouth will bill the PIC or LPIC change charge to McLeodUSA, which has the billing relationship with that customer, and McLeodUSA may pass such charge to the customer.

Attachment 3

Billing

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BILLING

1. Payment and Billing Arrangements

The terms and conditions set forth in this Attachment shall apply to all services ordered and provisioned pursuant to this Agreement.

1.1 BellSouth will bill through the Carrier Access Billing System (CABS), Integrated Billing System (IBS) and/or the Customer Records Information Systems (CRIS) depending on the particular service(s) provided to McLeodUSA under this Agreement. BellSouth will format all bills in CABS Billing Output Specification (CBOS) Standard or CLUB/EDI format, depending on the type of service provided. For those services where standards have not yet been developed, BellSouth's billing format may change in accordance with applicable industry standards.

1.1.1 For any service(s) BellSouth receives from McLeodUSA, McLeodUSA shall bill BellSouth in CBOS format.

1.1.2 Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to BellSouth.

1.1.3 BellSouth will render bills each month on established bill days for each of McLeodUSA's accounts. If either Party requests multiple billing media or additional copies of the bills, the billing Party will provide these at the rates set forth in BellSouth's FCC No. 1 Tariff, Section 13.3.6.3, except for resold services which shall be at the rates set forth in BellSouth's Non-Regulated Services Pricing List N6.

1.1.4 BellSouth will bill McLeodUSA in advance for all services to be provided during the ensuing billing period except charges associated with service usage and nonrecurring charges, which will be billed in arrears.

1.1.4.1 For resold services, charges for services will be calculated on an individual customer account level, including, if applicable, any charge for usage or usage allowances. BellSouth will also bill McLeodUSA, and McLeodUSA will be responsible for and remit to BellSouth, all charges applicable to said services including but not limited to 911 and E911 charges, EUCL charges, federal subscriber line charges, telecommunications relay charges, and franchise fees, unless otherwise ordered by a Commission.

1.1.5 BellSouth will not perform billing and collection services for McLeodUSA as a result of the execution of this Agreement.

1.2 Establishing Accounts. After submitting a credit profile and deposit, if required, and after receiving certification as a local exchange carrier from the appropriate Commission, McLeodUSA will provide the appropriate BellSouth Local Contract

Manager responsible for new CLEC activation, the necessary documentation to enable BellSouth to establish accounts for resold services. Such documentation shall include the Application for Master Account, if applicable, proof of authority to provide Telecommunications Services, the appropriate OCN for each state as assigned by the NECA, CIC, if applicable, ACNA, if applicable, BellSouth's blanket form LOA, Misdirected Number form, and a tax exemption certificate, if applicable. Notwithstanding anything to the contrary in this Agreement, McLeodUSA may not order services under a new account established in accordance with this Section until thirty (30) days after all information specified in this Section is received from McLeodUSA.

- 1.2.1 Company Identifiers. If McLeodUSA needs to change, add to, eliminate or convert its OCN(s), ACNAs and other identifying codes (collectively "Company Identifiers") under which it operates when McLeodUSA has already been conducting business utilizing those Company Identifiers, McLeodUSA shall pay all charges as a result of such change, addition, elimination or conversion to the new Company Identifiers. Such charges include, but are not limited to, all time required to make system updates to all of McLeodUSA's customer records and any other changes to BellSouth systems or McLeodUSA records, and will be handled in a separately negotiated agreement or as otherwise required by BellSouth.
- 1.2.2 Tax Exemption. It is the responsibility of McLeodUSA to provide BellSouth with a properly completed tax exemption certificate at intervals required by the appropriate taxing authorities. A tax exemption certificate must be supplied for each individual McLeodUSA entity purchasing Services under this Agreement. Upon BellSouth's receipt of a properly completed tax exemption certificate, subsequent billings to McLeodUSA will not include those taxes or fees from which McLeodUSA is exempt. Prior to receipt of a properly completed exemption certificate, BellSouth shall bill, and McLeodUSA shall pay all applicable taxes and fees. In the event that McLeodUSA believes that it is entitled to an exemption from and refund of taxes with respect to the amount billed prior to BellSouth's receipt of a properly completed exemption certificate, BellSouth shall assign to McLeodUSA its rights to claim a refund of such taxes. If applicable law prohibits the assignment of tax refund rights or requires the claim for refund of such taxes to be filed by BellSouth, BellSouth shall, after receiving a written request from McLeodUSA and at McLeodUSA's sole expense, pursue such refund claim on behalf of McLeodUSA, provided that McLeodUSA promptly reimburses BellSouth for any costs and expenses incurred by BellSouth in pursuing such refund claim, and provided further that BellSouth shall have the right to deduct any such outstanding costs and expenses from the amount of any refund obtained prior to remitting such refund to McLeodUSA. McLeodUSA shall be solely responsible for the computation, tracking, reporting and payment of all taxes and fees associated with the services provided by McLeodUSA to its customers.

- 1.3 Deposit Policy. Prior to the inauguration of service or, thereafter, upon BellSouth's request, McLeodUSA shall complete the BellSouth Credit Profile (BellSouth form) and provide information to BellSouth regarding McLeodUSA's credit and financial condition. Based on BellSouth's analysis of the BellSouth Credit Profile and other relevant information regarding McLeodUSA's credit and financial condition, BellSouth reserves the right to require McLeodUSA to provide BellSouth with a suitable form of security deposit for McLeodUSA's account(s). If, in BellSouth's sole discretion, circumstances so warrant and/or McLeodUSA's gross monthly billing has increased, BellSouth reserves the right to request additional security (or to require a security deposit if none was previously requested) and/or file a Uniform Commercial Code (UCC-1) security interest in McLeodUSA's "accounts receivables and proceeds".
- 1.3.1 Security deposit shall take the form of cash, an Irrevocable Letter of Credit (BellSouth form), Surety Bond (BellSouth form) or, in BellSouth's sole discretion, some other form of security proposed by McLeodUSA. Any such security deposit shall in no way release McLeodUSA from its obligation to make complete and timely payments of its bill(s). If BellSouth requires McLeodUSA to provide a security deposit, McLeodUSA shall provide such security deposit prior to the inauguration of service or within fifteen (15) days of BellSouth's request, as applicable. Deposit request notices will be sent to McLeodUSA via certified mail or overnight delivery. Such notice period will start the day after the deposit request notice is rendered by certified mail or overnight delivery. Interest on a cash security deposit shall accrue and be applied or refunded in accordance with the terms in BellSouth's GSST.
- 1.3.2 Security deposits collected under this Section shall not exceed two (2) months' estimated billing. Estimated billings are calculated based upon the monthly average of the previous six (6) months current billings, if McLeodUSA has received service from BellSouth during such period at a level comparable to that anticipated to occur over the next six (6) months. If either McLeodUSA or BellSouth has reason to believe that the level of service to be received during the next six (6) months will be materially higher or lower than received in the previous six (6) months, McLeodUSA and BellSouth shall agree on a level of estimated billings based on all relevant information.
- 1.3.3 In the event McLeodUSA fails to provide BellSouth with a suitable form of security deposit or additional security deposit as required herein, defaults on its account(s), or otherwise fails to make any payment or payments required under this Agreement in the manner and within the time required, service to McLeodUSA may be Suspended, Discontinued or Terminated in accordance with the terms of Section 1.5 below. Upon Termination of services, BellSouth shall apply any security deposit to McLeodUSA's final bill for its account(s).
- 1.3.3.1 At least seven (7) days prior to the expiration of any letter of credit provided by McLeodUSA as security under this Agreement, McLeodUSA shall renew such

letter of credit or provide BellSouth with evidence that McLeodUSA has obtained a suitable replacement for the letter of credit. If McLeodUSA fails to comply with the foregoing, BellSouth shall thereafter be authorized to draw down the full amount of such letter of credit and utilize the cash proceeds as security for McLeodUSA accounts(s). If McLeodUSA provides a security deposit or additional security deposit in the form of a surety bond as required herein, McLeodUSA shall renew the surety bond or provide BellSouth with evidence that McLeodUSA has obtained a suitable replacement for the surety bond at least seven (7) days prior to the cancellation date of the surety bond. If McLeodUSA fails to comply with the foregoing, BellSouth shall thereafter be authorized to take action on the surety bond and utilize the cash proceeds as security for McLeodUSA's account(s). If the credit rating of any bonding company that has provided McLeodUSA with a surety bond provided as security hereunder has fallen below B, BellSouth will provide written notice to McLeodUSA that McLeodUSA must provide a replacement bond or other suitable security within fifteen (15) days of BellSouth's written notice. If McLeodUSA fails to comply with the foregoing, BellSouth shall thereafter be authorized to take action on the surety bond and utilize the cash proceeds as security for McLeodUSA's account(s). Notwithstanding anything contained in this Agreement to the contrary, BellSouth shall be authorized to draw down the full amount of any letter of credit or take action on any surety bond provided by McLeodUSA as security hereunder if McLeodUSA defaults on its account(s) or otherwise fails to make any payment or payments required under this Agreement in the manner and within the time, as required herein.

1.4 Payment Responsibility. Payment of all charges will be the responsibility of McLeodUSA. McLeodUSA shall pay invoices by utilizing wire transfer services or automatic clearing house services. McLeodUSA shall make payment to BellSouth for all services billed including disputed amounts. BellSouth will not become involved in billing disputes that may arise between McLeodUSA and McLeodUSA's customer.

1.4.1 Payment Due. Payment for services provided by BellSouth, including disputed charges, is due on or before the next bill date. Information required to apply payments must accompany the payment. The information must notify BellSouth of Billing Account Numbers (BAN) paid; invoices paid and the amount to be applied to each BAN and invoice (Remittance Information). Payment is considered to have been made when the payment and Remittance Information are received by BellSouth. If the Remittance Information is not received with payment, BellSouth will be unable to apply amounts paid to McLeodUSA's accounts. In such event, BellSouth shall hold such funds until the Remittance Information is received. If BellSouth does not receive the Remittance Information by the payment due date for any account(s), late payment charges shall apply.

1.4.1.1 Due Dates. If the payment due date falls on a Sunday or on a holiday that is observed on a Monday, the payment due date shall be the first non-holiday day

following such Sunday or holiday. If the payment due date falls on a Saturday or on a holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the last non-holiday day preceding such Saturday or holiday. If payment is not received by the payment due date, a late payment charge, as set forth in Section 1.4.1.2, below, shall apply.

- 1.4.1.2 Late Payment. If any portion of the payment is not received by BellSouth on or before the payment due date as set forth above, or if any portion of the payment is received by BellSouth in funds that are not immediately available to BellSouth, then a late payment and/or interest charge shall be due to BellSouth. The late payment and/or interest charge shall apply to the portion of the payment not received and shall be assessed as set forth in Section A2 of BellSouth's GSST, Section B2 of the Private Line Service Tariff or Section E2 of the BellSouth intrastate Access Services Tariff, or pursuant to the applicable state law as determined by BellSouth. In addition to any applicable late payment and/or interest charges, McLeodUSA may be charged a fee for all returned checks at the rate set forth in Section A2 of BellSouth's GSST or pursuant to the applicable state law.
- 1.5 Discontinuing Service to McLeodUSA. The procedures for discontinuing service to McLeodUSA are as follows:
- 1.5.1 In order of severity, Suspend/Suspension, Discontinue/Discontinuance and Terminate/Termination are defined as follows for the purposes of this Attachment:
- 1.5.1.1 Suspend/Suspension is the temporary restriction of the billed Party's access to the ordering systems and/or access to the billed Party's ability to initiate PIC-related changes. In addition, during Suspension, pending orders may not be completed and orders for new service or changes to existing services may not be accepted.
- 1.5.1.2 Discontinue/Discontinuance is the denial of service by the billing Party to the billed Party that will result in the disruption and discontinuation of service to the billed Party's customers. Additionally, at the time of Discontinuance, BellSouth will remove any Local Service Freezes in place on the billed Party's customers.
- 1.5.1.3 Terminate/Termination is the disconnection of service by the billing Party to the billed Party.
- 1.5.2 BellSouth reserves the right to Suspend, Discontinue or Terminate service in the event of prohibited, unlawful or improper use of BellSouth facilities or service, abuse of BellSouth facilities, or any other violation or noncompliance by McLeodUSA of the rules and regulations of BellSouth's tariffs.
- 1.5.3 Suspension. If payment of amounts due as described herein is not received by the bill date in the month after the original bill date, or fifteen (15) days from the date of a deposit request in the case of security deposits, BellSouth will provide written notice to McLeodUSA that services will be Suspended if payment of such

amounts, and all other amounts that become past due before Suspension, is not received by wire transfer, automatic clearing house or cashier's check in the manner set forth in Section 1.4.1 above, or in the case of a security deposit request, in the manner set forth in Section 1.3.1 above: (1) within fifteen (15) days following such notice for CRIS billed services; and (2) within seven (7) days following such notice for security deposit requests.

1.5.3.1 The Suspension notice shall also provide that all past due charges for CRIS billed services, and all other amounts that become past due for such services before Discontinuance, must be paid within thirty (30) days from the date of the Suspension notice to avoid Discontinuance of CRIS billed services.

1.5.4 Discontinuance. If payment of amounts due as described herein is not received by the bill date in the month after the original bill date, BellSouth will provide written notice that BellSouth may Discontinue the provision of existing services to McLeodUSA if payment of such amounts, and all other amounts that become past due before Discontinuance, including requested security deposits, is not received by wire transfer, automatic clearing house or cashier's check in the manner set forth in Section 1.4.1 above or in the case of a deposit in accordance with Section 1.3.1 above, within thirty (30) days following such written notice; provided, however, that BellSouth may provide written notice that such existing services may be Discontinued within fifteen (15) days following such notice, subject to the criteria described in Section 1.5.4.1 below.

1.5.4.1 BellSouth may take the action to Discontinue the provision of existing service upon fifteen (15) days from the day after BellSouth provides written notice of such Discontinuance if (a) such notice is sent by certified mail or overnight delivery; (b) McLeodUSA has not paid all amounts due pursuant to a subject bill(s), or has not provided adequate security pursuant to a deposit request; and (c) either:

(1) BellSouth has sent the subject bill(s) to McLeodUSA within seven (7) business days of the bill date(s), verifiable by records maintained by BellSouth:

- i. in paper or CDROM form via the United States Postal Service (USPS),
or
- ii. in magnetic tape form via overnight delivery, or
- iii. via electronic transmission; or

(2) BellSouth has sent the subject bill(s) to McLeodUSA, using one of the media described in (1) above, more than thirty (30) days before notice to Discontinue service has been rendered.

1.5.4.2 In the case of Discontinuance of services, all billed charges, as well as applicable disconnect charges, shall become due.

1.5.4.3 McLeodUSA is solely responsible for notifying the customer of the Discontinuance of service. If, within seven (7) days after McLeodUSA's services have been Discontinued, McLeodUSA pays, by wire transfer, automatic clearing house or cashier's check, all past due charges, including late payment charges, outstanding security deposit request amounts if applicable and any applicable restoral charges as set forth in Section A4 of BellSouth's GSST, then BellSouth will reestablish service for McLeodUSA.

1.5.5 Termination. If within seven (7) days after McLeodUSA's service has been Discontinued and McLeodUSA has failed to pay all past due charges as described above, then McLeodUSA's service will be Terminated.

2. Billing Disputes

2.1 McLeodUSA shall electronically submit all billing disputes to BellSouth using the form specified by BellSouth. In the event of a billing dispute, the Parties will endeavor to resolve the dispute within sixty (60) days of the notification date. Within five (5) business days of BellSouth's denial, or partial denial, of the billing dispute, if McLeodUSA is not satisfied with BellSouth's resolution of the billing dispute or if no response to the billing dispute has been received by McLeodUSA by such sixtieth (60th) day, McLeodUSA must pursue the escalation process as outlined in the Billing Dispute Escalation Matrix, set forth on BellSouth's Interconnection Services Web site, or the billing dispute shall be considered denied and closed. If, after escalation, the Parties are unable to reach resolution, then the aggrieved Party, if it elects to pursue the dispute shall pursue dispute resolution in accordance with General Terms and Conditions.

2.2 For purposes of this Section 2, a billing dispute means a reported dispute submitted pursuant to Section 2.1 above of a specific amount of money actually billed by BellSouth. The billing dispute must be clearly explained by McLeodUSA and supported by written documentation, which clearly shows the basis for disputing charges. The determination as to whether the billing dispute is clearly explained or clearly shows the basis for disputing charges shall be within BellSouth's sole reasonable discretion. Disputes that are not clearly explained or those that do not provide complete information may be rejected by BellSouth. Claims by McLeodUSA for damages of any kind will not be considered a billing dispute for purposes of this Section. If BellSouth resolves the billing dispute, in whole or in part, in favor of McLeodUSA, any credits and interest due to McLeodUSA as a result thereof shall be applied to McLeodUSA's account by BellSouth upon resolution of the billing dispute.

Attachment 4
Performance Measurements

Performance Measurements

Upon a particular Commission's issuance of an Order pertaining to Performance Measurements in a proceeding expressly applicable to all CLECs generally, BellSouth shall implement in that state such Performance Measurements as of the date specified by the Commission. Performance Measurements that have been Ordered in a particular state can currently be accessed via the internet at <http://pmap.bellsouth.com>.

Attachment 5

BellSouth Disaster Recovery Plan

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1.0 PURPOSE

In the unlikely event of a disaster occurring that affects BellSouth's long-term ability to deliver traffic to a CLEC, general procedures have been developed by BellSouth to hasten the recovery process in accordance with the Telecommunications Service Priority (TSP) Program established by the FCC to identify and prioritize telecommunication services that support national security or emergency preparedness (NS/EP) missions. A description of the TSP Program as it may be amended from time to time is available at the following BellSouth Interconnection Services Web site: <http://interconnection.bellsouth.com/products/vertical/tsp.html>. Since each location is different and could be affected by an assortment of potential problems, a detailed recovery plan is impractical. However, in the process of reviewing recovery activities for specific locations, some basic procedures emerge that appear to be common in most cases.

These general procedures should apply to any disaster that affects the delivery of traffic for an extended time period. Each CLEC will be given the same consideration during an outage, and service will be restored as quickly as possible.

This document will cover the basic recovery procedures that would apply to every CLEC.

2.0 SINGLE POINT OF CONTACT

When a problem is experienced, regardless of the severity, the BellSouth Network Management Center (NMC) will observe traffic anomalies and begin monitoring the situation. Controls will be appropriately applied to insure the sanity of BellSouth's network; and, in the event that a switch or facility node is lost, the NMC will attempt to circumvent the failure using available reroutes.

BellSouth's NMC will remain in control of the restoration efforts until the problem has been identified as being a long-term outage. At that time, the NMC will contact BellSouth's ECC and relinquish control of the recovery efforts. Even though the ECC may take charge of the situation, the NMC will continue to monitor the circumstances and restore traffic as soon as damaged network elements are revitalized.

The telephone number for the BellSouth Network Management Center in Atlanta, as published in Telcordia's National Network Management Directory, is 404-321-2516.

3.0 IDENTIFYING THE PROBLEM

During the early stages of problem detection, the NMC will be able to tell which CLECs are affected by the catastrophe. Further analysis and/or first hand observation will determine if the disaster has affected CLEC equipment only, BellSouth equipment only or a combination. The initial restoration activity will be largely determined by the equipment that is affected.

Once the nature of the disaster is determined and after verifying the cause of the problem, the NMC will initiate reroutes and/or transfers that are jointly agreed upon by the affected CLECs' Network Management Center and the BellSouth NMC. The type and percentage of controls used will depend upon available network capacity. Controls necessary to stabilize the situation will be invoked and the NMC will attempt to re-establish as much traffic as possible.

For long-term outages, recovery efforts will be coordinated by the ECC. Traffic controls will continue to be applied by the NMC until facilities are re-established. As equipment is made available for service, the ECC will instruct the NMC to begin removing the controls and allow traffic to resume.

3.1 SITE CONTROL

In the total loss of building use scenario, what likely exists will be a smoking pile of rubble. This rubble will contain many components that could be dangerous. It could also contain any personnel on the premises at the time of the disaster. For these reasons, the local fire marshal with the assistance of the police will control the site until the building is no longer a threat to surrounding properties and the companies have secured the site from the general public.

During this time, the majority owner of the building should be arranging for a demolition contractor to mobilize to the site with the primary objective of reaching the cable entrance facility for a damage assessment. The results of this assessment would then dictate immediate plans for restoration, both short term and permanent.

In a less catastrophic event, i.e., the building is still standing and the cable entrance facility is usable, the situation is more complex. The site will initially be controlled by local authorities until the threat to adjacent property has diminished. Once the site is returned to the control of the companies, the following events should occur.

An initial assessment of the main building infrastructure systems (mechanical, electrical, fire and life safety, elevators, and others) will establish building needs. Once these needs are determined, the majority owner should lead the building restoration efforts. There may be situations where the site will not be totally restored within the confines of the building. The companies must individually determine their needs and jointly assess the cost of permanent restoration to determine the overall plan of action.

Multiple restoration trailers from each company will result in the need for designated space and installation order. This layout and control is required to maximize the amount of restoration equipment that can be placed at the site, and the priority of placements.

Care must be taken in this planning to ensure other restoration efforts have logistical access to the building. Major components of telephone and building equipment will need to be removed and replaced. A priority for this equipment must also be jointly established to facilitate overall site restoration. (Example: If the AC switchgear has sustained damage, this would be of the highest priority in order to regain power, lighting, and HVAC throughout the building.)

If the site will not accommodate the required restoration equipment, the companies would then need to quickly arrange with local authorities for street closures, rights of way or other possible options available.

3.2 ENVIRONMENTAL CONCERNS

In the worse case scenario, many environmental concerns must be addressed. Along with the police and fire marshal, the state environmental protection department will be on site to monitor the situation.

Items to be concerned with in a large central office building could include:

1. Emergency engine fuel supply. Damage to the standby equipment and the fuel handling equipment could have created "spill" conditions that have to be handled within state and federal regulations.
2. Asbestos-containing materials that may be spread throughout the wreckage. Asbestos could be in many components of building, electrical, mechanical, outside plant distribution, and telephone systems.
3. Lead and acid. These materials could be present in potentially large quantities depending upon the extent of damage to the power room.
4. Mercury and other regulated compounds resident in telephone equipment.
5. Other compounds produced by the fire or heat.

Once a total loss event occurs at a large site, local authorities will control immediate clean up (water placed on the wreckage by the fire department) and site access.

At some point, the companies will become involved with local authorities in the overall planning associated with site clean up and restoration. Depending on the clean up approach taken, delays in the restoration of several hours to several days may occur.

In a less severe disaster, items listed above are more defined and can be addressed individually depending on the damage.

In each case, the majority owner should coordinate building and environmental restoration as well as maintain proper planning and site control.

4.0 THE ECC

The ECC is located in the Midtown 1 Building in Atlanta, Georgia. During an emergency, the ECC staff will convene a group of pre-selected experts to inventory the damage and initiate corrective actions. These experts have regional access to BellSouth's personnel and equipment and will assume control of the restoration activity anywhere in the nine-state area.

In the past, the ECC has been involved with restoration activities resulting from hurricanes, ice storms and floods. They have demonstrated their capabilities during these calamities as well as

during outages caused by human error or equipment failures. This group has an excellent record of restoring service as quickly as possible.

During a major disaster, the ECC may move emergency equipment to the affected location, direct recovery efforts of local personnel and coordinate service restoration activities with the CLECs. The ECC will attempt to restore service as quickly as possible using whatever means is available, leaving permanent solutions, such as the replacement of damaged buildings or equipment, for local personnel to administer.

Part of the ECC's responsibility, after temporary equipment is in place, is to support the NMC efforts to return service to the CLECs. Once service has been restored, the ECC will return control of the network to normal operational organizations. Any long-term changes required after service is restored will be made in an orderly fashion and will be conducted as normal activity.

5.0 RECOVERY PROCEDURES

The nature and severity of any disaster will influence the recovery procedures. One crucial factor in determining how BellSouth will proceed with restoration is whether or not BellSouth's equipment is incapacitated. Regardless of whose equipment is out of service, BellSouth will move as quickly as possible to aid with service recovery; however, the approach that will be taken may differ depending upon the location of the problem.

5.1 CLEC OUTAGE

For a problem limited to one CLEC (or a building with multiple CLECs), BellSouth has several options available for restoring service quickly. For those CLECs that have agreements with other CLECs, BellSouth can immediately start directing traffic to a provisional CLEC for completion. This alternative is dependent upon BellSouth having concurrence from the affected CLECs.

Whether or not the affected CLECs have requested a traffic transfer to another CLEC will not impact BellSouth's resolve to re-establish traffic to the original destination as quickly as possible.

5.2 BELL SOUTH OUTAGE

Because BellSouth's equipment has varying degrees of impact on the service provided to the CLECs, restoring service from damaged BellSouth equipment is different. The outage will probably impact a number of Carriers simultaneously. However, the ECC will be able to initiate immediate actions to correct the problem.

A disaster involving any of BellSouth's equipment locations could impact the CLECs, some more than others. A disaster at a Central Office (CO) would only impact the delivery of traffic to and from that one location, but the incident could affect many Carriers. If the CO is a Serving Wire Center (SWC), then traffic from the entire area to those Carriers served from that switch would also be impacted. If the switch functions as an Access Tandem, or there is a tandem in the building, traffic from every CO to every CLEC could be interrupted. A disaster that destroys a facility hub could disrupt various traffic flows, even though the switching equipment may be unaffected.

The NMC would be the first group to observe a problem involving BellSouth's equipment. Shortly after a disaster, the NMC will begin applying controls and finding re-routes for the completion of as much traffic as possible. These reroutes may involve delivering traffic to alternate Carriers upon receiving approval from the CLECs involved. In some cases, changes in translations will be required. If the outage is caused by the destruction of equipment, then the ECC will assume control of the restoration.

5.2.1 Loss of a CO

When BellSouth loses a CO, the ECC will

- a) Place specialists and emergency equipment on notice;
- b) Inventory the damage to determine what equipment and/or functions are lost;
- c) Move containerized emergency equipment and facility equipment to the stricken area, if necessary;
- d) Begin reconnecting service on a parity basis for Hospitals, Police and other emergency agencies or customers served by BellSouth or CLEC in accordance with the TSP priority restoration coding scheme entered in the BellSouth Maintenance database immediately prior to the emergency.

5.2.2 Loss of a CO with SWC Functions

The loss of a CO that also serves as a SWC will be restored as described in Section 5.2.1.

5.2.3 Loss of a CO with Tandem Functions

When BellSouth loses a CO building that serves as an Access Tandem and as a SWC, the ECC will

- a) Place specialists and emergency equipment on notice;
- b) Inventory the damage to determine what equipment and/or functions are lost;
- c) Move containerized emergency equipment and facility equipment to the stricken area, if necessary;
- d) Begin reconnecting service on a parity basis for Hospitals, Police and other emergency agencies or customers served by BellSouth or CLEC in accordance with the TSP priority restoration coding scheme entered in the BellSouth Maintenance database immediately prior to the emergency;
- e) Re-direct as much traffic as possible to the alternate access tandem (if available) for delivery to those CLECs utilizing a different location as a SWC;
- f) Begin aggregating traffic to a location near the damaged building. From this location, begin re-establishing trunk groups to the CLECs for the delivery of traffic normally

found on the direct trunk groups. (This aggregation point may be the alternate access tandem location or another CO on a primary facility route.)

5.2.4 Loss of a Facility Hub

In the event that BellSouth loses a facility hub, the recovery process is much the same as above. Once the NMC has observed the problem and administered the appropriate controls, the ECC will assume authority for the repairs. The recovery effort will include

- a) Placing specialists and emergency equipment on notice;
- b) Inventorying the damage to determine what equipment and/or functions are lost;
- c) Moving containerized emergency equipment to the stricken area, if necessary;
- d) Reconnecting service on a parity basis for Hospitals, Police and other emergency agencies or customers served by BellSouth or CLEC in accordance with the TSP priority restoration coding scheme entered in the BellSouth Maintenance database immediately prior to the emergency; and
- e) If necessary, BellSouth will aggregate the traffic at another location and build temporary facilities. This alternative would be viable for a location that is destroyed and building repairs are required.

5.3 COMBINED OUTAGE (CLEC AND BELL SOUTH EQUIPMENT)

In some instances, a disaster may impact BellSouth's equipment as well as the CLECs'. This situation will be handled in much the same way as described in Section 5.2.3. Since BellSouth and the CLECs will be utilizing temporary equipment, close coordination will be required.

6.0 T1 IDENTIFICATION PROCEDURES

During the restoration of service after a disaster, BellSouth may be forced to aggregate traffic for delivery to a CLEC. During this process, T1 traffic may be consolidated onto DS3s and may become unidentifiable to the Carrier. Because resources will be limited, BellSouth may be forced to "package" this traffic entirely differently than normally received by the CLECs. Therefore, a method for identifying the T1 traffic on the DS3s and providing the information to the Carriers is required.

7.0 ACRONYMS

CLEC	-	Competitive Local Exchange Carrier
CO	-	Central Office (BellSouth)
DS3	-	Facility that carries 28 T1s (672 circuits)
ECC	-	Emergency Control Center (BellSouth)
NMC	-	Network Management Center
SWC	-	Serving Wire Center (BellSouth switch)
T1	-	Facility that carries 24 circuits
TSP	-	Telecommunications Service Priority

Hurricane Information

During a hurricane, BellSouth will make every effort to keep CLECs updated on the status of our network. Information centers will be set up throughout BellSouth Telecommunications. These centers are not intended to be used for escalations, but rather to keep the CLEC informed of network related issues, area damages and dispatch conditions, etc.

Hurricane-related information can also be found on line at <http://www.interconnection.bellsouth.com/network/disaster/index.html>. Information concerning Mechanized Disaster Reports can also be found at this Web site by clicking on CURRENT MDR REPORTS or by going directly to <http://www.interconnection.bellsouth.com/network/disaster/mdrdocs.html>.

BST Disaster Management Plan

BellSouth maintenance centers have geographical and redundant communication capabilities. In the event of a disaster removing any maintenance center from service another geographical center would assume maintenance responsibilities. The contact numbers will not change and the transfer will be transparent to the CLEC.

Attachment 6

Bona Fide Request and New Business Request Process

BONA FIDE REQUEST AND NEW BUSINESS REQUEST PROCESS

1. Bona Fide Request

- 1.1 The Parties agree that McLeodUSA is entitled to order any resold service option required to be made available by FCC or Commission requirements pursuant to the Act. A Bona Fide Request (BFR) is to be used when McLeodUSA makes a request of BellSouth to provide a new or modified resold service option pursuant to the Act that was not previously provided for in this Agreement.
- 1.2 A BFR shall be submitted in writing by McLeodUSA and shall specifically identify the requested service date, technical requirements, space requirements and/or such other specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. Such a request shall also include McLeodUSA's designation of the request as being pursuant to the Telecommunications Act of 1996 (i.e., a BFR). The request shall be sent to McLeodUSA's designated BellSouth Sales contact or Local Contract Manager (LCM).
- 1.3 Within two (2) business days of receipt of a BFR, BellSouth shall acknowledge in writing its receipt and identify a single point of contact responsible for responding to the BFR and shall request any additional information needed to process the request to the extent known at that time. Notwithstanding the foregoing, BellSouth may reasonably request additional information from McLeodUSA at any time during the processing of the BFR.
- 1.4 Within thirty (30) business days of BellSouth's receipt of the BFR, if the preliminary analysis of the requested BFR is not of such complexity that it will cause BellSouth to expend extraordinary resources to evaluate the BFR, BellSouth shall respond to McLeodUSA by providing a preliminary analysis of the new or modified resold services option not ordered by the FCC or Commission that is the subject of the BFR. The preliminary analysis shall either confirm that BellSouth will offer access to the new or modified resold services option or confirm that BellSouth will not offer the new or modified resold services option.
- 1.5 For any new or modified resold services option not ordered by the FCC or Commission, if the preliminary analysis states that BellSouth will offer the new or modified resold services option, the preliminary analysis will include an estimate of the costs of utilizing existing resources, both personnel and systems, in the development including, but not limited to, request parameters analysis, determination of impacted BellSouth departments, determination of required resources, project management resources, etc. (Development Rate) including a general breakdown of such

costs associated with the resold services option and the date the request can be met. If the preliminary analysis states that BellSouth will not offer the new or modified resold services option, BellSouth will provide an explanation of why the request is not technically feasible, does not qualify as a BFR for the new or modified resold services option, should actually be submitted as a New Business Request (NBR) or is otherwise not required to be provided under the Act. If BellSouth cannot provide the resold services option by the requested date, BellSouth shall provide an alternative proposed date together with a detailed explanation as to why BellSouth is not able to meet McLeodUSA's requested date.

- 1.6 For any new or modified resold services option not ordered by the FCC or Commission, if BellSouth determines that the preliminary analysis of the requested BFR is of such complexity that it will cause BellSouth to expend extraordinary resources to evaluate the BFR, BellSouth shall notify McLeodUSA within ten (10) business days of BellSouth's receipt of BFR that a fee will be required prior to the preliminary evaluation of the BFR. Such fee shall be limited to BellSouth's extraordinary expenses directly related to the complex request that require the allocation and engagement of additional resources above the existing allocated resources used on BFR cost development which include, but are not limited to, expenditure of funds to develop feasibility studies, specific resources that are required to determine request requirements (such as operation support system analysts, technical managers, software developers), software impact analysis by specific software developers; software architecture development, hardware impact analysis by specific system analysts, etc. and the request for such fee shall be accompanied with a general breakdown of such costs. If McLeodUSA accepts the complex request evaluation fee proposed by BellSouth, McLeodUSA shall submit such fee within thirty (30) business days of BellSouth's notice that a complex request evaluation fee is required. Within thirty (30) business days of BellSouth's receipt of the complex request evaluation fee, BellSouth shall respond to McLeodUSA by providing a preliminary analysis, consistent with Section 1.4 above.
- 1.7 McLeodUSA may cancel a BFR at any time up until thirty (30) business days after receiving BellSouth's preliminary analysis. If McLeodUSA cancels the BFR within thirty (30) business days after receipt of BellSouth's preliminary analysis, BellSouth shall be entitled to keep any complex request evaluation fee submitted in accordance with Section 1.6 above, minus those costs included in the fee that have not been incurred as of the date of cancellation.
- 1.8 McLeodUSA will have thirty (30) business days from receipt of preliminary analysis to accept the preliminary analysis or cancel the BFR. If McLeodUSA fails to respond within this thirty (30) business day period,

the BFR will be deemed cancelled. Acceptance of the preliminary analysis must be in writing and accompanied by the estimated Development Rate for the new or modified resold services option quoted in the preliminary analysis.

- 1.9 Notwithstanding any other provision of this Agreement, BellSouth shall propose a firm price quote, including the firm Development Rate, the firm nonrecurring rate and the firm recurring rate, and a detailed implementation plan within ten (10) business days of receipt of McLeodUSA's accurate BFR application for a resold services option that is operational at the time of the request; thirty (30) business days of receipt of McLeodUSA's accurate BFR application for a new or modified resold services option ordered by the FCC or Commission; and within sixty (60) business days of receipt of McLeodUSA's accurate BFR application for a new or modified resold services option not ordered by the FCC or Commission or not operational at the time of the request. The firm nonrecurring rate will not include any of the Development Rate or the complex request evaluation fee, if required, in the calculation of this rate. Such firm price quote shall not exceed the estimate provided with the preliminary analysis by more than twenty-five percent (25%).
- 1.10 McLeodUSA shall have thirty (30) business days from receipt of firm price quote to accept or deny the firm price quote and submit any additional Development or nonrecurring rates quoted in the firm price quote.
- 1.11 Unless McLeodUSA agrees otherwise, all prices shall be consistent with the applicable pricing principles and provisions of the Act.
- 1.12 If McLeodUSA believes that BellSouth's firm price quote is not consistent with the requirements of the Act, either Party may seek dispute resolution in accordance with the dispute resolution provisions set forth in General Terms and Conditions.
- 1.13 Upon agreement to the rates, terms and conditions of a BFR, the Parties shall negotiate in good faith an amendment to this Agreement.

2 New Business Request

- 2.1 McLeodUSA also shall be permitted to request the development of new or modified facilities or service options which may not be required by the Act. Procedures applicable to requesting the addition of such elements, services and options are specified in this Attachment. A NBR is to be used by McLeodUSA to make a request of BellSouth for a new or modified feature or capability of an existing product or service, a new product or service that is not deployed within the BellSouth network or

operations and business support systems, or a new or modified service option that was not previously included in this Agreement (Requested NBR Services) and is not required by the Act.

- 2.2 An NBR shall be submitted in writing by McLeodUSA and shall specifically identify the requested service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. The request shall be sent to McLeodUSA's designated BellSouth Sales contact or LCM.
- 2.3 Within two (2) business days of receipt of an NBR, BellSouth shall acknowledge in writing its receipt and identify a single point of contact responsible for responding to the NBR and shall request any additional information needed to process the request to the extent known at that time. Notwithstanding the foregoing, BellSouth may reasonably request additional information from McLeodUSA at any time during the processing of the NBR.
- 2.4 If the preliminary analysis of the requested NBR is not of such complexity that it will cause BellSouth to expend extraordinary resources to evaluate the NBR, within thirty (30) business days of its receipt of the NBR, BellSouth shall respond to McLeodUSA by providing a preliminary analysis of such Requested NBR Services that are the subject of the NBR. The preliminary analysis shall either confirm that BellSouth will offer access to the Requested NBR Services or confirm that BellSouth will not offer the Requested NBR Services.
- 2.5 If the preliminary analysis states that BellSouth will offer the Requested NBR Services, the preliminary analysis will include an estimate of the Development Rate including a general breakdown of costs and the date the request can be met. If BellSouth cannot provide the Requested NBR Service by the requested date, it shall provide an alternative proposed date together with a detailed explanation as to why BellSouth is not able to meet McLeodUSA's requested date.
- 2.6 If BellSouth determines that the preliminary analysis of the requested NBR is of such complexity that it will cause BellSouth to expend extraordinary resources to evaluate the NBR, BellSouth shall notify McLeodUSA within ten (10) business days of BellSouth's notice that a complex request evaluation fee is required prior to the evaluation of the NBR. Such fee shall be limited to BellSouth's extraordinary expenses directly related to the complex request. If McLeodUSA accepts the complex request evaluation fee amount proposed by BellSouth, McLeodUSA shall submit such complex request evaluation fee within

thirty (30) business days of BellSouth's notice that a complex request evaluation fee is required.

- 2.7 Within thirty (30) business days of BellSouth's receipt of the complex request evaluation fee, BellSouth shall respond to McLeodUSA by providing a preliminary analysis of such Requested NBR Services.
- 2.8 McLeodUSA may cancel an NBR at any time. If McLeodUSA cancels the request more than ten (10) business days after submitting it, McLeodUSA shall pay BellSouth's reasonable and demonstrable costs of processing and/or implementing the NBR up to the date of cancellation in addition to any fee submitted in accordance with Section 1.6 above.
- 2.9 McLeodUSA will have thirty (30) business days from receipt of the preliminary analysis to accept the preliminary analysis or cancel the NBR. If McLeodUSA fails to respond within this thirty (30) business day period, the NBR will be deemed cancelled.
- 2.10 Acceptance of the preliminary analysis must be in writing and accompanied by the estimated Development Rate for the Requested NBR Services quoted in the preliminary analysis.
- 2.11 BellSouth shall propose a firm price quote including the firm Development Rate, the firm nonrecurring rate, and the firm recurring rate, and a detailed implementation plan within ten (10) business days of receipt of McLeodUSA's accurate NBR application for a Requested NBR Service that is operational at the time of the request and within sixty (60) business days of receipt of McLeodUSA's accurate NBR application for the Requested NBR Services not operational at the time of the request. The firm nonrecurring rate will not include any of the Development Rate or the complex request evaluation fee, if required, in the calculation of this rate. Such firm price quote shall not exceed the estimate provided with the preliminary analysis by more than twenty-five percent (25%).
- 2.12 McLeodUSA shall have thirty (30) business days from receipt of the firm price quote to accept or deny the firm price quote and submit any additional nonrecurring, non-refundable fees quoted in the firm price quote. If the firm price quote is less than the preliminary analysis' estimate of the Development Rate, BellSouth will credit McLeodUSA's account for the difference.
- 2.13 Upon agreement to the rates, terms and conditions of a NBR, an amendment to this Agreement, or a separate agreement, may be required and the Parties shall negotiate such agreement or amendment in good faith.

