September 26, 2002

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case No. U-13541, Interconnection Agreement Between Ameritech Michigan and Nexus Communications, Inc.

Dear Ms. Wideman:

Enclosed for filing are an original and 3 copies of the joint application requesting approval of the Interconnection Agreement by and between Ameritech Michigan and Nexus Communications, Inc. In accordance with the Commission’s request, Ameritech Michigan makes this filing electronically by posting the enclosed Agreement onto Ameritech Michigan’s web site at:


Very truly yours,

Craig Anderson

Enclosures

cc: Mr. Steven Fenker
In Re the request for Commission approval of an INTERCONNECTION Agreement between Nexus Communications, Inc. and Ameritech Michigan.

MPSC Case No. U-1354

JOINT APPLICATION

Ameritech Michigan¹ and Nexus Communications, Inc. hereby jointly apply to the Michigan Public Service Commission (Commission) pursuant to §203(1) of the Michigan Telecommunications Act (MTA), as amended, MCL 484.2203(1), and Sections 252(e)(1) and 252(i) of the Telecommunications Act of 1996 (the Act), 47 U.S.C. §§252(e)(1) and 252(i), for approval of an Interconnection agreement executed as of June 4, 2002 by and between Ameritech Michigan and Nexus Communications, Inc. (Agreement). A copy of the Agreement is attached hereto as Exhibit A. In support of this application, Ameritech Michigan and Nexus Communications, Inc. state as follows:

1. Ameritech Michigan is a Michigan corporation engaged in providing communications services to the public in its various exchanges and zones throughout the State of Michigan.

2. Nexus Communications, Inc. is an Ohio corporation with offices located in 7830 N. Central Drive, Suite C, Lewis Center, OH 43035.

¹ Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Michigan Bell offers telecommunications services and operates under the names “Ameritech” and “Ameritech Michigan” (used interchangeably herein), pursuant to assumed name filings with the state of Michigan.
3. Pursuant to Section 252(i) of the Act, Nexus Communications, Inc. requested the sectional adoption of terms and conditions of the Interconnection agreement dated February 20, 2002 by and between Ameritech Michigan and AT&T Communications of Michigan, Inc. (Adopted Agreement) that was approved by the Commission in an order issued on March 21, 2002 in Case No. U-12465, including the M2A Amendment, but excluding the First (NIS Pricing) and Second (CNAM) Amendments.

4. The parties further acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, in the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection Compensation for ISP-bound Traffic (ISP Intercarrier Compensation Order). By executing and filing the Agreement and carrying out the intercarrier compensation rates, terms and conditions in the Agreement, Ameritech Michigan does not waive any of its rights, and expressly reserves all of its rights, under the ISP Intercarrier Compensation Order, including, but not limited to, its right to exercise its option at anytime in the future to invoke the Intervening Law or Change of Law provisions and to adopt, on a date specified by Ameritech Michigan, the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions.

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2 A sectional adoption is defined as a partial adoption, i.e. the agreement contains some provisions which are adopted from the Adopted Agreement and some provisions which are voluntarily negotiated between the parties.

3 The Agreement is the result of Nexus Communications, Inc. decision to adopt the Adopted Agreement pursuant to section 252(i) of the Act. The Agreement, however, contains certain voluntarily negotiated provision agreed to by Ameritech Michigan and Nexus Communications, Inc. (Agreed Provisions). All portions of the Agreement, except the Agreed Provisions, were made available to Nexus Communications, Inc. as a result of Nexus Communications, Inc. right to adopt the Adopted Agreement pursuant to Section 252(i) of the Act. Therefore, the addition of the Agreed Provisions to the Agreement does not in any way change the nature of the Agreement from an adopted agreement to a negotiated agreement. Rather, the only terms and conditions which should be deemed voluntarily negotiated in the Agreement and not made available pursuant to Section 252(i) are the Agreed Provisions. If the Commission determines that the Agreement is fully negotiated as a result of the existence of the Agreed Provisions, the parties agree that the Agreement should not be approved and the parties shall immediately withdraw this Joint Application. In such case, the parties will take alternative steps to ensure that only the voluntarily negotiated provisions in the Agreement are deemed negotiated under Section 252(e) of the Act and that all provisions adopted pursuant to Section 252(i) of the Act shall remain classified as such and re-file the Agreement.

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** TOTAL PAGE 92 **
5. Pursuant to MTA §203(1) and §§252(e)(1) and 252(i) of the Act, Ameritech Michigan and Nexus Communications, Inc. jointly request expedited approval of the joint application without any public hearing or formal solicitation of comments. The joint application and the Agreement provide the Commission with sufficient information to approve the Agreement under the standards of §§252(e)(1) and (2) of the Act.

WHEREFORE, Ameritech Michigan and Nexus Communications, Inc. jointly request Commission approval of the Agreement pursuant to MTA §203(1) and §§252(e)(1) and 252(i) of the Act as soon as possible.

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4 No hearing is required under MTA §203 or §252 of the Act. Under §252(e)(4) of the Act, the Agreement is deemed approved if the state commission does not act to approve or reject the Agreement within 90 days after submission.
Respectfully submitted,

Counsel for Ameritech Michigan

Craig A. Anderson (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

Dated: 6/29/02

- 4 -
INTERCONNECTION AGREEMENT

Executed as of July 8, 2002

by and between

AMERITECH MICHIGAN

and

NEXUS COMMUNICATIONS, INC.
INTERCONNECTION AGREEMENT SHORT FORM
UNDER SECTIONS 251 AND 252
AMERITECH MICHIGAN/NEXUS COMMUNICATIONS, INC.
PAGE 1 OF 6
060602

INTERCONNECTION AGREEMENT
UNDER SECTIONS 251 AND 252
OF THE
TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement (the "Agreement"), is being entered into by and between Michigan Bell Telephone Company d/b/a Ameritech Michigan ("Ameritech Michigan"), and Nexus Communications, Inc. ("CLEC"), (each a "Party" and, collectively, the "Parties"), pursuant to Sections 251 and 252 of the Telecommunications Act of 1996 ("the Act").

RECITALS

WHEREAS, pursuant to Section 252(i) of the Act, CLEC has requested to adopt individual interconnection, service and/or network element arrangement(s) ("Arrangement(s)") from the Interconnection Agreement by and between Ameritech Michigan and AT&T Communications of Michigan, Inc. for the State of Michigan, which was approved by the Michigan Public Service Commission ("the Commission") under Section 252(e) of the Act on March 21, 2002 in docket number U-12465, including any amendments to such Agreement (the "Separate Agreement"), which is incorporated herein by reference; and

WHEREAS, pursuant to Section 252(i), the Parties understand and agree that CLEC may sectionally adopt any Arrangements contained in an approved and effective Michigan Agreement that is available for adoption, including any legitimately related terms, with the exception of the reciprocal compensation provisions (and any legitimately related terms) as a result of the FCC’s ISP Remand Order1 (or other provisions, as applicable);

WHEREAS, Ameritech Michigan is making such Arrangement(s) from the Separate Agreement available to CLEC only because of and, to the extent required by, Section 252(i) of the Act under this Agreement; and

WHEREAS, in addition to the Arrangement(s) adopted by CLEC from the Separate Agreement, the Parties have voluntarily negotiated other provisions to this Agreement which are set forth in an Amendment to this Agreement (e.g., including but not limited to reciprocal compensation provisions), which is incorporated herein by this reference, and which is attached hereto and will be submitted to the Commission for approval; and

---

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CLEC and Ameritech Michigan hereby agree as follows:

1.0 Incorporation of Recitals and Separate Agreement by Reference

1.1 The foregoing Recitals are hereby incorporated into and made a part of this Agreement.

1.2 Except as expressly stated herein, the Arrangement(s) adopted by CLEC from the Separate Agreement (including any and all applicable Appendices, Schedules, Exhibits, Attachments and Amendments thereto) are incorporated herein by this reference and form an integral part of this Agreement.

2.0 Modifications to Separate Agreement

2.1 All references to “AMERITECH INFORMATION INDUSTRY SERVICES, a division of Ameritech Services, Inc. a Delaware Corporation” is hereby replaced with “Michigan Bell Telephone Company d/b/a Ameritech Michigan, a Michigan corporation” and Ameritech Michigan’s address of “350 North Orleans, 3rd Floor, Chicago, IL 60654” is hereby replaced with “444 Michigan Avenue, Detroit, MI 48226.” Finally, the following language is hereby deleted: “on behalf of and as agent for Ameritech Michigan.”

2.2 References the Separate Agreement to “CLEC” or to “Other” shall for purposes of this Agreement be deemed to refer to CLEC.

2.3 References the Separate Agreement to the “Effective Date,” the date of effectiveness thereof and like provisions shall for purposes of this Agreement be deemed to refer to the date which is ten (10) days following Commission approval of the Agreement or, absent Commission approval, the date the Agreement is deemed approved under Section 252(e)(4) of the Act. In addition, unless terminated earlier in accordance with the terms of Appendix 1 or the negotiated Amendment hereto, as applicable, the Termination Date of this Agreement shall be: “March 21, 2005” (the “Termination Date”).
2.4 The Notices Section in the Separate Agreement is hereby revised to reflect that Notices should be sent to CLEC under this Agreement at the following address:

<table>
<thead>
<tr>
<th>NOTICE CONTACT</th>
<th>CLEC CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME/TITLE</td>
<td>Steven Fenker / Vice President</td>
</tr>
<tr>
<td>STREET ADDRESS</td>
<td>7830 North Central Drive, Suite C</td>
</tr>
<tr>
<td>CITY, STATE, ZIP CODE</td>
<td>Lewis Center, OH 43035</td>
</tr>
<tr>
<td>FACSIMILE NUMBER</td>
<td>740-548-1173</td>
</tr>
</tbody>
</table>

2.5 The Notices Section in the Separate Agreement is hereby revised to reflect that Notices should be sent to Ameritech Michigan under this Agreement at the following address:

<table>
<thead>
<tr>
<th>NOTICE CONTACT</th>
<th>SBC-STATE CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME/TITLE</td>
<td>Contract Administration</td>
</tr>
<tr>
<td></td>
<td>ATTN: Notices Manager</td>
</tr>
<tr>
<td>STREET ADDRESS</td>
<td>311 S. Akard, 9th Floor</td>
</tr>
<tr>
<td></td>
<td>Four SBC Plaza</td>
</tr>
<tr>
<td>CITY, STATE, ZIP CODE</td>
<td>Dallas, TX 75202-5398</td>
</tr>
<tr>
<td>FACSIMILE NUMBER</td>
<td>214-464-2006</td>
</tr>
</tbody>
</table>

2.6 In Section 30.1.1 Authorization, the references to “Ameritech” are replaced with references to “Ameritech Michigan” and Ameritech’s state of incorporation is the state of “Michigan.” In Section 30.1.2 after “State of”, CLEC’s state of incorporation should be deemed to be inserted.

2.7 The following name before the signature line of the Separate Agreement “AMERITECH INFORMATION INDUSTRY SERVICES AMERITECH MICHIGAN” is hereby revised to read “SBC Telecommunications, Inc. as Agent for Michigan Bell Telephone Company d/b/a Ameritech Michigan” for purposes of this Agreement.

2.8 Schedule 2.1, “Implementation Schedule” of the Separate Agreement is hereby revised to delete any carrier-specific interconnection or access to UNE information and to incorporate the following language in its place for purposes of this Agreement: “The interconnection activation points and interconnection activation date shall be mutually determined by the Implementation Team in accordance with Section 3.4.4 and Schedule 12. Ameritech Michigan’s position is that any proposed interconnection with a switch that is not capable of providing local exchange service (including 911 service) does not fall within the intent or scope of this Agreement.”
3.0 Clarifications

3.1 The entry into, filing and performance by the Parties of this Agreement does not in any way constitute a waiver by either Party of any of the rights and remedies they may have to seek review of any of the Arrangement(s) of the Separate Agreement, or to petition the Commission, other administrative body or court for reconsideration or reversal of any determination made by any of them, or to seek review in any way of any portion of this Agreement in connection with CLEC’s election under Section 252(i) of the Act. In particular, the Parties note that on January 25, 1999, the United States Supreme Court issued its opinion in AT&T Corp. v. Iowa Utilities Bd., 525 U.S. 366 (1999) (and on remand, Iowa Utilities Board v. FCC, 219 F.3d 744 (8th Cir. 2000) and Ameritech v. FCC, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999) and on appeal to and remand by the United States Supreme Court, Verizon v. FCC, et.al, 535 U.S. ___ (2002)). The Parties further note that on May 24, 2002, the United States Court of Appeals for the District of Columbia Circuit issued its decision in United States Telecom Association, et. al v. FCC, No. 00-101, in which the Court granted the petitions for review of the Federal Communications Commission’s (“FCC”) Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (FCC 99-238) (“the UNE Remand Order”) and the FCC’s Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (FCC 99-355) (rel. December 9, 1999) (“the Line Sharing Order”), specifically vacated the Line Sharing Order, and remanded both these orders to the FCC for further consideration in accordance with the decision. In addition, on November 24, 1999, the FCC issued its Supplemental Order In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996, (FCC 99-370) and on June 2, 2000, its Supplemental Order Clarification, (FCC 00-183), in CC Docket 96-98. It is Ameritech Michigan’s intent and understanding of state and federal law, that any negotiating history, appeal, stay, injunction or similar proceeding which impacts the applicability of such rates, terms or conditions to the Separate Agreement will similarly and simultaneously impact the applicability of such rates, terms and conditions to CLEC under this MFN Agreement. In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis for a provision of the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory bodies or courts of competent jurisdiction, including but not limited to any decision or proceeding referenced herein, the Parties shall immediately incorporate changes from the Separate Agreement, made as a result of any such action into this Agreement. Where revised language is not immediately available, the Parties shall expend diligent efforts to incorporate the results of any such action into this Agreement on an interim basis, but shall conform this Agreement to the Separate Agreement, once such changes are filed with the Commission.

3.2 The Parties further acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic (the “ISP Intercarrier Compensation Order”), which was remanded in
WorldCom, Inc. v. FCC, No. 01-1218 (D.C. Cir. 2002). By executing this Agreement and carrying out the intercarrier compensation rates, terms and conditions herein, the parties do not waive any of their rights, and expressly reserve all of their rights, under the ISP Intercarrier Compensation Order, or any other regulatory, legislative or judicial action, including but not limited to Ameritech Michigan’s right to exercise its option at any time in the future to invoke the Intervening Law or Change of Law provisions and to adopt on a date specified by Ameritech Michigan the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC’s prescribed terminating compensation rates, and other terms and conditions.

3.3 By executing this MFN Agreement, and providing certain UNEs and UNE combinations (to the extent provided for under such Agreement), neither Party waives any of its rights, remedies or arguments, including but not limited to with respect to any of the aforementioned decisions or proceedings or any remands thereof, including its right to seek legal review or a stay of such decisions or other modifications to the Separate Agreement and this Agreement under the intervening law clause or other provisions of this Agreement to reflect the fact that Ameritech Michigan’s obligation to provision UNEs identified in this Agreement is subject to the provisions of the federal Act, including but not limited to, Section 251(d), including any legally binding interpretation of those requirements that may be rendered by the FCC, state regulatory agency or court of competent jurisdiction in any proceeding. Ameritech Michigan further reserves the right to dispute whether any UNEs identified in the Agreement must be provided under Section 251(c)(3) and Section 251(d) of the Act, and under this Agreement.

3.4 This Agreement (including all attachments hereto) and every interconnection, service and network element provided hereunder, is subject to all rates, terms and conditions contained in this Agreement (including all attachments hereto) that are legitimately related to such interconnection, service or network element; and all such rates, terms and conditions are incorporated by reference herein and as a part of every interconnection, service and network element provided hereunder. Without limiting the general applicability of the foregoing, the General Terms and Conditions of this Agreement are specifically agreed by the Parties to be legitimately related to, and to be applicable to, each interconnection, service and network element provided hereunder.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this 8th day of July, 2002.

NEXUS COMMUNICATIONS, INC. MICHIGAN BELL TELEPHONE COMPANY
d/b/a AMERITECH MICHIGAN
By: SBC Telecommunications, Inc., its authorized agent

By: [Signature]
Printed: STEVEN FANKER
Title: VICE PRESIDENT
Date: 6-29-02

By: [Signature]
Printed: Mike Auenbauch
Title: President – Industry Markets
Date: JUL 08 2002
In Re the request for Commission approval of
An Interconnection agreement between
Nexus Communications, Inc. and Ameritech
Michigan.

Case No. U- 1354

JOINT APPLICATION

Ameritech Michigan¹ and Nexus Communications, Inc. hereby jointly apply to
the Michigan Public Service Commission (Commission) pursuant to Section 203(1) of the
Michigan Telecommunications Act (MTA), as amended, MCL 484.2203(1), and Section 252(e)
of the Telecommunications Act of 1996 (the Act), 47 U.S.C. § 252(e), for approval of the 1st
Amendment to the Interconnection Agreement between the parties heretofore approved by the
Commission on September 26, 2002 (Agreement). In support of this joint application,
Ameritech Michigan and Nexus Communications, Inc. state as follows:

1. The parties have entered into good faith negotiations and have executed a 1st
Amendment to the Agreement. The 1st Amendment Interconnection Agreement fully executed
as of August 30, 2002 replaces the existing Reciprocal Compensation Appendix
with the current generic Reciprocal Compensation Appendix into the Agreement. A copy of the
1st Amendment to the Agreement, duly executed by the Parties, is submitted with this joint
application as Exhibit A.

¹ Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech
Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin,
Indiana, and Ohio. Ameritech Corporation is a wholly-owned subsidiary of SBC Communications, Inc. Michigan
Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Michigan"
pursuant to assumed name filings with the state of Michigan.
2. The 1st Amendment is the result of voluntary negotiations and must be submitted to the Commission for its approval or rejection pursuant to Section 252(e)(1) of the Act. The 1st Amendment meets all statutory criteria for Commission approval.

WHEREFORE, Ameritech Michigan and Nexus Communications, Inc. jointly request Commission approval of the 1st Amendment to the Agreement pursuant to MTA §203(1) and §252(e) of the Act as soon as possible.

Respectfully submitted,

Nexus Communications, Inc.

Steven Fenker, Vice President
7830 N. Central Drive, Suite C
Lewis Center, OH 43035
(740) 549-1092

Dated: 8/21/02

Counsel for Ameritech Michigan

Craig A. Anderson (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

SEPTEMBER 25, 2002
FIRST AMENDMENT

Executed as of August 30, 2002

TO

INTERCONNECTION AGREEMENT

by and between

AMERITECH MICHIGAN

and

NEXUS COMMUNICATIONS, INC.
AMENDMENT

to the

INTERCONNECTION AGREEMENT - MICHIGAN

by and between

MICHIGAN BELL TELEPHONE COMPANY
D/B/A AMERITECH MICHIGAN

AND

NEXUS COMMUNICATIONS, INC.

The Interconnection Agreement ("the Agreement") by and between Michigan Bell Telephone Company d/b/a Ameritech Michigan (Ameritech Michigan) and Nexus Communications, Inc. ("CLEC"), is hereby amended as follows:

1.0 AMENDMENTS TO THE AGREEMENT

1.1 Add SBC 13-STATE Negotiated Reciprocal Compensation Appendix and update Table of Schedules to reflect this addition. (See Attachment "A")

2.0 MISCELLANEOUS

2.1 In entering into this Amendment, the Parties acknowledge and agree that neither Party is waiving any of its rights, remedies or arguments with respect to any orders, decisions or proceedings and any remands thereof, including but not limited to its rights under the United States Supreme Court’s opinion in Verizon v. FCC, 535 U.S. ___ (2002); the D.C. Circuit’s decision in United States Telecom Association, et. al v. FCC, No. 00-101 (May 24, 2002); the FCC’s Order In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996, (FCC 99-370) (rel. November 24, 1999), including its Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000) in CC Docket 96-98; or the FCC’s Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68 (the “ISP Intercarrier Compensation Order”) (rel. April 27, 2001), which was remanded in WorldCom, Inc. v. FCC, No. 01-1218 (D.C. Cir. 2002). Rather, in entering into this Amendment, each Party fully reserves all of its rights, remedies and arguments with respect to any decisions, orders or proceedings, including but not limited to its right to dispute whether any UNEs and/or UNE combinations identified in the Agreement and this Amendment must be provided under Sections 251(c)(3) and 251(d) of the Act, and under this Agreement. In addition to fully reserving its other rights, Michigan Bell Telephone Company d/b/a Ameritech Michigan reserves its right to exercise its option at any time in the future to invoke the Intervening Law or Change of Law provisions in the Agreement and to adopt on a date specified by Michigan Bell Telephone Company
d/b/a Ameritech Michigan the FCC ISP terminating compensation plan, after which
date ISP-bound traffic will be subject to the FCC's prescribed terminating
compensation rates, and other terms and conditions. In the event that the FCC, a state
regulatory agency or a court of competent jurisdiction, in any proceeding finds, rules
and/or otherwise orders that any of the UNEs and/or UNE combinations provided for
under this Agreement and this Amendment do not meet the necessary and impair
standards set forth in Section 251(d)(2) of the Act, the affected provision will be
immediately invalidated, modified or stayed as required to effectuate the subject
order upon written request of either Party. In such event, the Parties shall have sixty
(60) days from the effective date of the order to attempt to negotiate and arrive at an
agreement on the appropriate conforming modifications required to the agreement.
If the Parties are unable to agree upon the conforming modifications required within
sixty (60) days from the effective date of the order, any disputes between the Parties
concerning the interpretations of the actions required or the provisions affected by
such order shall be handled under the Dispute Resolution Procedures set forth in this
Agreement.

2.2 This Amendment shall not modify or extend the Effective Date or Term of the
underlying Agreement, but rather, shall be coterminous with such Agreement.

2.3 EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OR
THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN
FULL FORCE AND EFFECT, and such terms are hereby incorporated by reference
and the Parties hereby affirm the terms and provisions thereof.

2.4 This Amendment shall be filed with and subject to approval by the Michigan Public
Service Commission (MI-PSC).
IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this 20th day of August, 2002, by Michigan Bell Telephone Company d/b/a Ameritech Michigan, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

Nexus Communications, Inc.

By: 
Title: 
Name: (Print or Type)
Date: 

SBC Telecommunications, Inc.
as agent for Michigan Bell
Telephone Company d/b/a
Ameritech Michigan

By: 
Title: President - Industry Markets
Name: (Print or Type)
Date: AUG 30 2002
NEGOTIATED APPENDIX
RECIPROCAL COMPENSATION
(AFTER FCC ORDER NO. 01-131)
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APPENDIX RECIPROCAL COMPENSATION

This Appendix provides for Reciprocal Compensation rates, terms, and conditions for all intercarrier telecommunications traffic exchanged pursuant to the underlying Interconnection Agreement ("Agreement") between Nexus Communications, Inc. as a Competitive Local Exchange Carrier in this state (hereafter, "CLEC") and one of the following SBC Communications Inc.-owned Incumbent Local Exchange Carriers (hereafter, "ILEC"): Illinois Bell Telephone, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company, d/b/a SBC Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company (a California corporation), The Southern New England Telephone Company (a Connecticut corporation), Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin (but only to the extent that the agent for the applicable SBC-owned ILEC executed the underlying Agreement for such SBC-owned ILEC). The Parties hereby agree as follows:

WHEREAS, CLEC obtained the underlying Agreement by requesting adoption of an existing Agreement with ILEC pursuant to Section 252(i) of the Federal Telecommunications Act of 1996 (known as the "Most Favored Nations" or "MFN" provision of the Act); and

WHEREAS, on April 18, 2001, the Federal Communications Commission (FCC) adopted its "Order on Remand and Report and Order" in its Intercarrier Compensation proceeding regarding traffic to Internet Service Providers (ISPs) (hereafter, the "ISP Intercarrier Compensation Order"),

and

WHEREAS, the FCC in that Order suspended MFN requests affecting ISP and other Internet-bound traffic, stating in pertinent part:

Because we now exercise our authority under section 201 to determine the appropriate intercarrier compensation for ISP-bound traffic, however, state commissions will no longer have authority to address this issue. For this same reason, as of the date this Order is published in the Federal Register, carriers may no longer invoke section 252(i) to opt into an existing interconnection agreement with regard to the rates paid for the exchange of ISP-bound traffic[footnote omitted]. Section 252(i) applies only to agreements arbitrated or approved by state commissions pursuant to section 252; it has no application in the context of an intercarrier compensation regime set by this [Federal Communications] Commission pursuant to section 201 [footnote omitted].


2 ISP Intercarrier Compensation Order, para 82 (emphasis added).
AND, WHEREAS the rates, terms and conditions for ISP traffic are legitimately-related to all other rates, terms and conditions for intercarrier compensation under the Agreement and have been negotiated in their entirety in this Appendix.

NOW, THEREFORE, ILEC and CLEC agree to the following rates, terms and conditions for all intercarrier traffic, including ISP and Internet-bound traffic, for the duration of the underlying Agreement, intending this document to be executed, filed, and approved as a negotiated Appendix separate from the underlying MFN Agreement.

1.0 APPENDIX SCOPE AND TERM

1.1 This Appendix sets forth the rates, terms and conditions for Reciprocal Compensation of intercarrier telecommunications traffic between ILEC and CLEC, but only to the extent they are interconnected and exchanging calls pursuant to a fully executed, underlying Interconnection Agreement approved by the applicable state or federal regulatory agency for telecommunications traffic in this state.

1.2 The compensation arrangement for the joint provision of Feature Group A (FGA) Services shall be subject to the underlying Interconnection Agreement or as otherwise mutually agreed by the Parties.

1.3 The provisions of this Appendix apply to calls originated over the originating carrier's facilities or over Unbundled Network Elements.

1.4 The provisions of this Appendix do not apply to traffic originated over services provided under local Resale service.

1.5 This Appendix is intended to supercede and replace any and all Appendices, Attachments, Rate Schedules, or other sections of the underlying Interconnection Agreement that set forth the rates, terms and conditions for Reciprocal Compensation of intercarrier telecommunications traffic between ILEC and CLEC. Any inconsistencies between the provisions of this Appendix and other provisions of the underlying Interconnection Agreement shall be governed by the provisions of this Appendix.

1.6 The Parties agree that this Appendix also governs the exchange, routing and rating of all intercarrier ISP and Internet-bound traffic between ILEC and CLEC in this state. The terms "ISPs" and "Internet" shall be given the same meaning as used in the underlying Agreement, and if not defined there, shall be given the same meaning as found in the ISP Compensation Order and the Telecommunications Act of 1996.
The Parties agree that this Appendix shall be coterminous with the underlying Agreement and shall not extend or alter the term and termination provisions of the Agreement, subject to the exceptions in subsection 1.7.1 below.

1.7.1 Retroactive Application back to the Effective Date of the Underlying MFN. The Parties recognize that an MFN interconnection agreement often receives speedier state approvals than the negotiated Appendix which will be affixed to that interconnection agreement. To the extent that the date of state approval of the underlying MFN interconnection agreement precedes the date of state approval of this Appendix, the Parties agree that the rates, terms and conditions of the Appendix will, upon state approval, apply retroactively to the date of state approval of the underlying MFN Agreement.

2.0 ILEC DESIGNATIONS

2.1 SBC Communications Inc. (SBC) means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company, and Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.

2.2 SBC-13STATE - As used herein, SBC-13STATE means the applicable above listed ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

2.3 SBC-12STATE - As used herein, SBC-12STATE means the applicable above listed ILEC(s) doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

2.4 SBC-AMEIUTECH - As used herein, SBC-AMEIUTECH means the applicable above listed ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.

2.5 SBC-SWBT - As used herein, SBC-SWBT means the applicable above listed ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma, and Texas.

2.6 SWBT-MO - As used herein, SWBT-MO means the applicable above listed ILEC doing business in Missouri.
2.7 **SWBT-OK** - As used herein, SWBT-OK means the applicable above listed ILEC doing business in Oklahoma.

2.8 **SWBT-KS** - As used herein, SWBT-KS means the applicable above listed ILEC doing business in Kansas.

2.9 **SWBT-AR** - As used herein, SWBT-AR means the applicable above listed ILEC doing business in Arkansas.

2.10 **SWBT-TX** - As used herein, SWBT-TX means the applicable above listed ILEC doing business in Texas.

2.11 **PACIFIC** - As used herein, PACIFIC means the applicable above listed ILEC doing business in California.

2.12 **NEVADA** - As used herein, NEVADA means the applicable above listed ILEC doing business in Nevada.

2.13 **SNET** - As used herein, SNET means the applicable above listed ILEC doing business in Connecticut.

### 3.0 CLASSIFICATION OF TRAFFIC

3.1 Telecommunications traffic exchanged between CLEC and ILEC will be classified as either Local Calls, Transit Traffic, Optional Calling Area Traffic, IntraLATA Toll Traffic, or InterLATA Toll Traffic. For purposes of this Appendix, calls to ISPs will be rated and routed according to these same classifications, depending on the physical location of the originating and terminating end users.

3.2 For purposes of this Appendix, the Parties agree that "Local Calls" and "Local ISP Calls" will be compensated at the same rates and rate structures, depending on the End Office or Tandem serving arrangement, so long as the originating end user of one Party and the terminating end user or ISP of the other Party are:

(a) both physically located in the same ILEC Local Exchange Area as defined by the ILEC Local (or "General") Exchange Tariff on file with the applicable state commission or regulatory agency; or

(b) both physically located within neighboring ILEC Local Exchange Areas, or within an ILEC exchange and an Independent LEC exchange, that share a common mandatory local calling area. This includes but is not limited to, mandatory Extended Area Service (EAS), mandatory Extended Local Calling Service (ELCS), or other types of mandatory expanded local calling scopes.
3.3 The Parties agree that, notwithstanding the classification of traffic under this Appendix, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users.

3.4 When an End User originates a Local Call which terminates to an End User physically located in the same local exchange area and served on the other Party's physical switch or, if operating in SBC-12STATE, through the other Party's Unbundled Network Element (UNE) switch port, the originating Party shall compensate the terminating Party for the transport and termination of Local Calls at the rate(s) provided in this Appendix and Appendix Pricing. In SNET, calls originated over UNEs are not subject to reciprocal compensation since the rates for unbundled local switching reflect and include the costs of call termination.

3.5 The Parties' obligation to pay reciprocal compensation to each other shall commence on the date the Parties agree that the interconnection is complete (i.e., each Party has established its originating trunks as well as all ancillary traffic trunking such as Operator Services, 911 or Mass Calling trunks).

3.6 The compensation arrangements set forth in this Appendix are not applicable to (i) Exchange Access traffic, (ii) Information Service traffic, (iii) traffic originated by one Party on a number ported to its network that terminates to another number ported on that same Party's network or (iv) any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission, with the exception of calls to ISPs, which are addressed in this Appendix. All Exchange Access traffic and IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable federal and state tariffs.

3.7 Calls delivered to or from numbers that are assigned to an exchange within a common mandatory local calling area but where the receiving or calling party is physically located outside the common mandatory local calling area of the exchange to which the number is assigned are either Feature Group A (FGA) or Foreign Exchange (FX) and are not Local Calls for intercarrier compensation and are not subject to local reciprocal compensation.

3.8 Private Line Services include private line-like and special access services and are not subject to local reciprocal compensation. Private Line Services are defined as dedicated Telecommunications channels provided between two points or switched among multiple points and are used for voice, data, audio or video transmission. Private Line services include, but are not limited to, WATS access lines.

3.9 Reciprocal Compensation applies to local traffic that is terminated at either parties' terminating switch. Traffic that is delivered to a CLEC or ISP via Digital Subscriber Line (DSL) service is not subject to intercarrier compensation.
4.0 RESPONSIBILITIES OF THE PARTIES

4.1 Each Party to this Appendix will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved.

4.2 Where SS7 connections exist, each Party will include in the information transmitted to the other for each call being terminated on the other’s network, where available, the original and true Calling Party Number (CPN).

4.3 If one Party is passing CPN but the other Party is not properly receiving information, the Parties will work cooperatively to correct the problem.

4.4 Where SS7 connections exist, calls originated by one party and terminated by the other, if the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information will be billed as either Local Traffic or intraLATA Toll Traffic in direct proportion to the minutes of use (MOU) of calls exchanged with CPN information. If the percentage of calls passed with CPN is less than ninety percent (90%), all calls passed without CPN will be billed as intraLATA switched access.

4.5 Where the Parties are performing a transiting function as defined in Section 9.0 below, the transiting Party will pass the original and true CPN if it is received from the originating third party. If the original and true CPN is not received from the originating third party, the Party performing the transiting function can not forward the CPN and will not be billed as the default originator.

5.0 LOCAL CALL TERMINATION

5.1 The compensation set forth below will also apply to all Local and Local ISP Calls as defined in section 3.2 of this Appendix, depending on whether the call is terminated directly to an End Office or through a Tandem.

5.2 Bifurcated Rates (Call Set Up and Call Duration). The Parties agree to compensate each other for the termination of Local Calls and Local ISP Calls on a "bifurcated" basis, meaning assessing an initial Call Set Up charge on a per Message basis, and then assessing a separate Call Duration charge on a per Minute of Use (MOU) basis, where ever per Message charges are applicable. The following rate elements apply, but the corresponding rates are shown in Appendix Reciprocal Compensation Terminating Rates, attached hereto and incorporated by reference as if fully set forth below:
5.3 Tandem Serving Rate Elements:

5.3.1 Tandem Switching - compensation for the use of tandem switching (only) functions.

5.3.2 Tandem Transport - compensation for the transmission facilities between the local tandem and the end offices subtending that tandem.

5.3.3 End Office Switching in a Tandem Serving Arrangement - compensation for the local end office switching and line termination functions necessary to complete the transmission in a tandem-served arrangement. It consists of a call set-up rate (per message) and an call duration (per minute) rate.

5.4 End Office Serving Rate Elements:

5.4.1 End Office Switching - compensation for the local end office switching and line termination functions necessary to complete the transmission in an end office serving arrangement. It consists of a call set-up rate (per message) and an call duration (per minute) rate.

5.5 All ISP and Internet-bound traffic shall be subject to the same terms and conditions regarding switch recordings, Calling Party Number (CPN) signaling, and other usage detail as for other Local Calls under this Appendix. Minutes of use to ISPs may be shown separately on the monthly usage detail, invoices, payment summaries, or other documents exchanged between ILEC and CLEC in the monthly billing cycle.

5.6 All ISP and Internet-bound traffic for a given usage month shall be due and owing at the same time as payments for Local Calls under this Appendix. The parties agree that all terms and conditions regarding disputed minutes of use, nonpayment, partial payment, late payment, interest on outstanding balances, or other billing and payment terms shall apply to ISP and Internet-bound traffic the same as for Local Calls under this Appendix.

6.0 NON-LOCAL CALL TERMINATION

6.1 The Parties recognize and agree that ISP and Internet-bound traffic could also be traded outside of the applicable local calling scope, or routed in ways that could make the rates and rate structure in section 5.0 above not apply, including but not limited to ISP calls that fit the underlying Agreement's definitions of:

- Transit Traffic
- Optional EAS Traffic
- IntraLATA Interexchange Traffic
- InterLATA Interexchange Traffic
6.2 The Parties agree that, for the purposes of this Amendment, either Parties' end users remain free to place ISP calls on a "Non-Local" basis under any of the above classifications. To the extent such "non-Local" ISP calls are placed, the Parties agree that section 5.0 above does not apply, and that the underlying Agreement's rates, terms and conditions for IntraLATA and/or InterLATA calling shall apply, including but not limited to rating and routing according to the terminating parties' Exchange Access intrastate and/or interstate tariffs.

6.3 The Parties agree that physical interconnection, routing, and trunking of ISP calls on an Inter-Exchange basis, either IntraLATA or InterLATA, shall be as specified in the underlying Agreement for all other traffic exchanged, including but not limited to, the need to route over Meet Point Billed trunks.

7.0 OPTIONAL CALLING AREA TRAFFIC -- SWBT-OK, KS, AR, TX

7.1 Compensation for Optional Calling Area (OCA) Traffic is for the termination of intercompany traffic to and from the one-way or two-way optional exchanges(s) and the associated metropolitan area.

7.2 In the context of this Appendix, Optional Calling Areas (OCAs) exist only in the states of Oklahoma, Kansas, Arkansas, and Texas, and are outlined in the applicable state Local Exchange tariffs. This rate is independent of any retail service arrangement established by either Party. CLEC and SWBT-OK, SWBT-KS, SWBT-AR, and SWBT-TX are not precluded from establishing its own local calling areas or prices for purposes of retail telephone service; however the terminating rates to be used for any such offering will still be administered as described in this Appendix.

7.3 The state specific OCA Transport and Termination rates are outlined in Appendix Pricing.

8.0 MCA TRAFFIC -- SBC-MO

8.1 For compensation purposes in the state of Missouri, Local Traffic shall be further defined as "Metropolitan Calling Area (MCA) Traffic" and "Non-MCA Traffic." MCA Traffic is traffic originated by a party providing a local calling scope plan pursuant to the Missouri Public Service Commission Orders in Case No. TO-92-306 and Case No. TO-99-483 (MCA Orders) and the call is a local call based on the calling scope of the originating party pursuant to the MCA Orders. Non-MCA Traffic is all Local Traffic that is not defined as MCA Traffic.
8.1.1 Either party providing Metropolitan Calling Area (MCA) service shall offer the full calling scope prescribed in Case No. TO-92-306, without regard to the identity of the called party's local service provider. The parties may offer additional toll-free outbound calling or other services in conjunction with MCA service, but in any such offering the party shall not identify any calling scope other than that prescribed in Case No. TO-92-306 as "MCA" service.

8.1.2 Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, MCA Traffic shall be exchanged on a bill-and-keep intercompany compensation basis meaning that the party originating a call defined as MCA Traffic shall not compensate the terminating party for terminating the call. Furthermore, the Transit Traffic rate element shall not apply to MCA Traffic (i.e., no transiting charges shall be assessed for MCA Traffic).

8.2 The parties agree to use the Local Exchange Routing Guide (LERG) to provision the appropriate MCA NXXs in their networks. The LERG should be updated at least 45 days in advance of opening a new code to allow the other party the ability to make the necessary network modifications. If the Commission orders the parties to use an alternative other than the LERG, the parties will comply with the Commission's final order.

8.3 If CLEC provides service via resale or in conjunction with ported numbers in the MCA, the appropriate MCA NXXs will be updated by SWBT.

9.0 TRANSIT TRAFFIC COMPENSATION

9.1 Transiting Service allows one Party to send Local, Optional, intraLATA Toll Traffic, and 800 intraLATA Toll Traffic to a third party network through the other Party's tandem. A Transiting rate element applies to all MOUs between a Party and third party networks that transits a SBC-13STATE network. The originating Party is responsible for payment of the appropriate rates unless otherwise specified. The Transiting rate element is only applicable when calls do not originate with (or terminate to) the transit Party's End User. Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, the Transit Traffic rate element shall not apply to MCA Traffic (i.e., no transiting charges shall be assessed for MCA Traffic) for SWBT-MO. The rates that SBC-13STATE shall charge for transiting CLEC traffic are outlined in Appendix Pricing.
9.2 The Parties agree to enter into their own agreement with third party Telecommunications Carriers prior to delivering traffic for transiting to the third party. In the event one Party originates traffic that transits the second Party's network to reach a third party Telecommunications Carrier with whom the originating Party does not have a traffic Interexchange agreement, then originating Party will indemnify the second Party against any and all charges levied by such third party telecommunications carrier, including any termination charges related to such traffic and any attorneys fees and expenses. The terminating party and the tandem provider will bill their respective portions of the charges directly to the originating party, and neither the terminating party nor the tandem provider will be required to function as a billing intermediary, e.g. clearinghouse.

9.3 The CLEC shall not bill SBC-13STATE for terminating any Transit traffic, whether identified or unidentified, i.e. whether SBC-13STATE is sent CPN or is not sent CPN by the originating company.

9.4 In those SBC-13STATEs where Primary Toll Carrier (PTC) arrangements are mandated, for intraLATA Toll Traffic which is subject to a PTC arrangement and where SBC-13STATE is the PTC, SBC-13STATE shall deliver such intraLATA Toll Traffic to the terminating carrier in accordance with the terms and conditions of such PTC arrangement. Upon receipt of verifiable Primary Toll records, SBC-13STATE shall reimburse the terminating carrier at SBC-13STATE's applicable tariffed terminating switched access rates. When transport mileage cannot be determined, an average transit transport mileage shall be applied as set forth in Appendix Pricing.

9.5 CLEC will establish sufficient direct trunk groups between CLEC and a Third Party’s network when CLEC's traffic volumes to said Third Party require twenty-four (24) or more trunks.

10.0 OPTIONAL CALLING AREA TRANSIT TRAFFIC -- SWBT-MO, SWBT-KS, SWBT-AR, SWBT-TX

10.1 In the states of Texas, Missouri, Kansas, and Arkansas, the Optional Area Transit Traffic rate element applies when one End User is in a SBC-SWBT one-way or two-way optional exchange and the other End User is within the SWBT-KS, SWBT-AR, and/or SWBT-TX local or mandatory exchanges. The Parties agree to apply the Optional Area Transit rate to traffic terminating to third party Independent LEC that shares a common mandatory local calling area with all SWBT-MO, SWBT-KS, SWBT-AR, and SWBT-TX exchanges included in a specific metropolitan exchange area. The Optional Area Transit Traffic rates that will be billed are outlined in Appendix Pricing. The specific NXXs and associated calling scopes can be located in the applicable state Local Exchange tariff.
11.0 INTRALATA 800 TRAFFIC

11.1 The Parties shall provide to each other intraLATA 800 Access Detail Usage Data for Customer billing and intraLATA 800 Copy Detail Usage Data for access billing in Exchange Message Interface (EMI) format. On a monthly basis the Parties agree to provide this data to each other at no charge. In the event of errors, omissions, or inaccuracies in data received from either Party, the liability of the Party providing such data shall be limited to the provision of corrected data only. If the originating Party does not send an End User billable record to the terminating Party, the originating Party will not bill the terminating Party any interconnection charges for this traffic.

11.2 IntraLATA 800 Traffic calls are billed to and paid for by the called or terminating Party, regardless of which Party performs the 800 query. Billing shall be based on originating and terminating NPA/NXX.

12.0 MEET-POINT-BILLING (MPB) and SWITCHED ACCESS TRAFFIC COMPENSATION

12.1 Intercarrier compensation for Switched Access Traffic shall be on a MPB basis as described below.

12.2 The Parties will establish MPB arrangements in order to provide Switched Access Services to IXC and ESPs via the respective carrier’s Tandem Office Switch switches in accordance with the MPB guidelines adopted by and either contained in, or upon approval to be added in future to the Ordering and Billing Forum’s MECOD and MECAB documents.

12.3 Billing to Interexchange Carriers (IXCs) and ESPs for the Switched Exchange Access Services jointly provided by the Parties via MPB arrangements shall be according to the multiple bill/single tariff method. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC), if any, will be billed by the Party providing the end office function. For the purpose of this Appendix, CLEC is the Initial Billing Company (IBC) and SBC-13STATE is the Subsequent Billing Company.
12.4 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.

12.5 As detailed in the MECAB document, the Parties will, in accordance with appropriate billing cycle intervals defined herein, exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by the Parties via the Meet Point arrangement. Information shall be exchanged in a mutually acceptable electronic file transfer protocol. Where the EMI records cannot be transferred due to a transmission failure, records can be provided via a mutually acceptable medium. The initial billing company (IBC) will provide the information to the subsequent billing company within ten (10) working days of sending the IBC's bills. The exchange of records to accommodate MPB will be on a reciprocal, no charge basis.

12.6 MPB shall also apply to all jointly provided MOU traffic bearing the 900, or toll free NPAs (e.g., 800, 877, 866, 888 NPAs, or any other non-geographic NPAs) which may likewise be designated for such traffic in the future where the responsible party is an IXC or ESP. When ILEC performs 800 database queries, ILEC will charge the end office provider for the database query in accordance with standard industry practices.

12.7 Each Party shall coordinate and exchange the billing account reference (BAR) and billing account cross reference (BACR) numbers for the Meet Point Billing service. Each Party shall notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number.

12.8 For purposes of this Appendix the Party to whom the End Office Switch belongs is the IBC and the Party to whom the Tandem Office Switch belongs is the secondary billing company. The secondary billing company will provide the IBC with the Exchange Access detailed usage data within thirty (30) days of the recording date. The IBC will provide to the secondary billing company the Exchange Access summary usage data within ten (10) working days of the IBC’s bill date to the IXC and/or ESP. SBC-13STATE acknowledges that currently there is no charge for Summary Usage Data Records but that such a charge may be appropriate. At CLEC's request, SBC-13STATE will negotiate a mutual and reciprocal charge for provision of Summary Usage Data Records.
12.9 **SBC-13STATE** and CLEC agree to provide the other Party with notification of any discovered errors within ten (10) business days of the discovery.

12.10 In the event of a loss of data, both Parties shall cooperate to reconstruct the lost data within sixty (60) days of notification and if such reconstruction is not possible, shall accept a reasonable estimate of the lost data, based upon no more than three (3) to twelve (12) consecutive months of prior usage data.

13.0 **INTRALATA TOLL TRAFFIC COMPENSATION**

13.1 For intrastate intraLATA toll traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge where applicable, as set forth in each Party’s Intrastate Access Service Tariff, but not to exceed the compensation contained in an ILEC’s tariff in whose exchange area the End User is located. For interstate intraLATA intercompany service traffic, compensation for termination of intercompany traffic will be at terminating access rates for MTS and originating access rates for 800 Service including the CCL charge, as set forth in each Party’s interstate Access Service Tariff, but not to exceed the compensation contained in the ILEC’s tariff in whose exchange area the End User is located. Common transport, (both fixed and variable), as well as tandem switching and end office rates apply only in those cases where a Party’s tandem is used to terminate traffic.

14.0 **BILLING FOR MUTUAL COMPENSATION -- SBC-SWBT**

14.1 In **SBC-SWBT** other than for traffic described in Section 6.0 above, each Party shall deliver monthly settlement statements for terminating the other Party’s traffic based on the following:

14.2 Each Party shall, unless otherwise agreed, adhere to the detailed technical descriptions and requirements for the recording, record exchange, and billing of traffic using the guidelines as set forth in the Technical Exhibit Settlement Procedures (TESP). Each Party will transmit the summarized originating minutes of usage within fifteen (15) business days following the prior month’s close of business for all traffic including local, transiting, and optional EAS via the 92-type record process to the transiting and/or terminating Party for subsequent monthly intercompany settlement billing. This information will also be utilized by the Parties for use in verifying and auditing to confirm the jurisdictional nature of Local Calls and is required from the originating Party under the terms of this Appendix.
14.3 If originating records are not received within sixty (60) days, upon written notification the Party not receiving the originating records will bill all MOU for that month at Switched Access rates based upon a seven (7) day traffic study.

14.5 The Parties will not render invoice nor payment to each other for the transport and termination of calls for a particular month’s usage until both Parties have received the originating 92-type summary records CLEC for that same month’s usage.

14.6 On a monthly basis, each Party will record its originating MOU including identification of the originating and terminating NXX for all intercompany calls.

14.7 Each Party will transmit the summarized originating MOU above to the transiting and/or terminating Party for subsequent monthly intercompany settlement billing.

14.8 MOUs for the rates contained herein will be measured in seconds by call type, and accumulated each billing period into one (1) minute increments for billing purposes in accordance with industry rounding standards.

14.9 Where CLEC has direct End Office Switch and Tandem Office Switch interconnection arrangements with SBC-13STATEs, SBC-13STATEs will multiply the Tandem Office Switch routed terminating MOU and End Office Switch routed terminating MOUs by the appropriate rates in order to determine the total monthly billing to each Party.

15.0 BILLING FOR MUTUAL COMPENSATION -- SBC-AMERITECH, NEVADA, PACIFIC, SNET

15.1 In SBC-AMERITECH, NEVADA, PACIFIC, and SNET, each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings made within each Party’s network. These recordings are the basis for each Party to generate bills to the other Party. For purposes of reciprocal compensation only, measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.

15.2 Each Party will provide to the other, within fifteen (15) calendar days, after the end of each quarter, a usage report with the following information regarding traffic terminated over the Local Interconnection Trunks:

15.2.1 Total traffic volume described in terms of minutes and messages and by call type (local, toll, and other) terminated to each other over the Local Interconnection Trunk Groups, and
15.2.1.1 Percent Local Usage (PLU) is calculated by dividing the Local MOU delivered to a party for termination by the total MOU delivered to a Party for termination.

15.2.2 Upon thirty (30) days written notice, each Party must provide the other the ability and opportunity to conduct an annual audit to ensure the proper billing of traffic between the Parties’ networks. The Parties agree to retain records of call detail for six (6) months from when the calls were initially reported to the other Party. The audit will be conducted during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than once per calendar year for each call detail type unless a subsequent audit is required. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. Based upon the audit, previous compensation, billing and/or settlements will be adjusted for the past twelve (12) months. Also, if the PLU is adjusted based upon the audit results, the adjusted PLU will apply for the nine (9) month period following the completion of the audit. If, as a result of the audit, either Party has overstated the PLU or underreported the call detail usage by twenty percent (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit and will pay for the cost of a subsequent audit which is to happen within nine (9) months of the initial audit.

16.0 RESERVATION OF RIGHTS AND SPECIFIC INTERVENING LAW TERMS

16.1 The Parties acknowledge that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic* (the “ISP Compensation Order.”) which was remanded in *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. 2002). The Parties agree that by executing this Appendix and carrying out the intercarrier compensation rates, terms and conditions herein, neither Party waives any of its rights, and expressly reserves all of its rights, under the ISP Compensation Order or any other regulatory, legislative or judicial action, including but not limited to the ILEC's option to invoke on a date specified by ILEC the FCC's ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions.
16.2 ILEC agrees to provide 20 days advance written notice to the person designated to receive official contract notices in the underlying Interconnection Agreement of the date upon which the ILEC designates that the FCC's ISP terminating compensation plan shall begin in this state. CLEC agrees that on the date designated by ILEC, the Parties will begin billing Reciprocal Compensation to each other at the rates, terms and conditions specified in the FCC's terminating compensation plan.

16.3 ILEC and CLEC agree to carry out the FCC terminating compensation plan on the date designated by ILEC without waiving, and expressly reserving, all appellate rights to contest FCC, judicial, legislative, or other regulatory rulings regarding ISP and Internet-bound traffic, including but not limited to, appeals of the FCC's ISP Compensation Order. By agreeing to this Appendix, both Parties reserve the right to advocate their respective positions before courts, state or federal commissions, or legislative bodies.

16.4 Should a regulatory agency, court or legislature change or nullify the ILEC's designated date to begin billing under the FCC's ISP terminating compensation plan, then the Parties also agree that any necessary billing true ups, reimbursements, or other accounting adjustments shall be made symmetrically and to the same date that the FCC terminating compensation plan was deemed applicable to all traffic in that state exchanged under section 251(b)(5) of the Act. By way of interpretation, and without limiting the application of the foregoing, the Parties intend for retroactive compensation adjustments, to the extent they are ordered by Intervening Law, to apply uniformly to all traffic among ILEC, CLEC and Commercial Mobile Radio Service (CMRS) carriers in the state where traffic is exchanged as Local Calls within the meaning of this Appendix.

16.5 The Parties further acknowledge that federal or state court challenges could be sustained against the FCC's ISP Compensation Order in particular, or against ISP intercarrier compensation generally. In particular, a court could order an injunction, stay or other retroactive ruling on ISP compensation back to the effective date of the FCC's ISP Compensation Order. Alternatively, a court could vacate the underlying Order upon which the compensation was based, and the FCC (either on remand or on its own motion) could rule that past traffic should be paid at different rates, terms or conditions.

16.6 Because of the possibilities in section 16.5, the Parties agree that should the ISP Compensation Order be modified or reversed in such a manner that prior intercarrier compensation was paid under rates, terms or conditions found to be null and void, then the Parties agree that, in addition to negotiating appropriate amendments to conform to such modification or reversal, the Parties will also agree that any billing true ups, reimbursements, or other accounting adjustments on past traffic shall be made uniformly and on the same date as for all traffic
exchanged under section 251(h)(5) of the Act. By way of interpretation, and without limiting the application of the foregoing, the Parties intend for retroactive compensation adjustments, to apply to all traffic among ILEC, CLEC, and CMRS carriers in the state where traffic is exchanged as Local Calls within the meaning of this Appendix.

16.7 The Parties further acknowledge that the FCC has issued a Notice of Proposed Rulemaking on the topic of Intercarrier Compensation generally. See, *In the Matter of Developing a Unified Intercarrier Compensation Regime*, CC Docket 01-92; established in Notice of Proposed Rulemaking Order No. 01-132, April 27, 2001. In the event that a final, legally binding FCC Order is issued upon the conclusion of that NPRM proceeding and during the term of this Appendix, the Parties agree to conform this Agreement to the compensation procedures set forth in that Order.

16.8 The parties agree to that the foregoing rates, terms, and conditions for the exchange of ISP-bound and Internet-bound traffic are subject to all rules, regulations, and interpretations of that traffic as Information Access pursuant to section 201 of the Act and FCC implementing orders, as opposed to sections 251 and 252 of the Act.

16.9 The Parties reserve the right to raise the appropriate treatment of Voice Over Internet Protocol (VOIP) or other Internet Telephony traffic under the Dispute Resolution provisions of this Interconnection Agreement. The Parties further agree that this Appendix shall not be construed against either Party as a "meeting of the minds" that VOIP or Internet Telephony traffic is or is not local traffic subject to reciprocal compensation. By entering into the Appendix, both Parties reserve the right to advocate their respective positions before state or federal commissions whether in bilateral complaint dockets, arbitrations under Sec. 252 of the Act, commission established rulemaking dockets, or in any legal challenges stemming from such proceedings.

17.0 ADDITIONAL TERMS AND CONDITIONS

17.1 Legitimately Related Terms. Every interconnection, service and network element provided here shall be subject to all rates, terms and conditions contained in the underlying Interconnection Agreement which are legitimately related to such interconnection, service or network element. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed by the Parties to be legitimately related to, and to be applicable to, each interconnection, service and network element provided hereunder: definitions; interpretation; construction and severability; notice of changes; general responsibilities of the Parties; effective date, term and termination; fraud; deposits; billing and payment of charges; non-
payment and procedures for disconnection; dispute resolution; audits; disclaimer of representations and warranties; limitation of liability; indemnification; remedies; intellectual property; publicity and use of trademarks or service marks; no license; confidentiality; intervening law; governing law; regulatory approval; changes in End User local exchange service provider selection; compliance and certification; law enforcement; no third party beneficiaries; disclaimer of agency; relationship of the Parties/independent contractor; subcontracting; assignment; responsibility for environmental contamination; force majeure; taxes; non-waiver; network maintenance and management; signaling; transmission of traffic to third parties; customer inquiries; expenses; conflicts of interest; survival; scope of agreement; amendments and modifications; and entire agreement.

17.2 **Entire Agreement.** This Reciprocal Compensation Appendix is intended to be read in conjunction with the underlying Interconnection Agreement between ILEC and CLEC, but that as to the Reciprocal Compensation rates, terms and conditions, this Appendix constitutes the entire agreement between the Parties on these issues, and there are no other oral agreements or understandings between them on Reciprocal Compensation that are not incorporated into this Appendix.
<table>
<thead>
<tr>
<th>UNBUNDLED NETWORK ELEMENTS</th>
<th>AIT RECURRING</th>
<th>AIT NON-RECURRING</th>
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</thead>
<tbody>
<tr>
<td>End Office Local Termination</td>
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</tr>
<tr>
<td>Set up charge, per call</td>
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</tr>
<tr>
<td>Duration charge, per MOU</td>
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<tr>
<td>Tandem Switching</td>
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</tr>
<tr>
<td>Set up charge, per call</td>
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<tr>
<td>Duration charge, per MOU</td>
<td>$ 0.000234</td>
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<tr>
<td>Tandem Transport Termination</td>
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<tr>
<td>Duration charge, per MOU</td>
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<tr>
<td>Tandem Transport Facility Mileage, per MOU per mile</td>
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<tr>
<th>TRANSPORT SERVICE</th>
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<th>AIT NON-RECURRING</th>
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<td>Tandem Termination, per minute of use</td>
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<tr>
<td>Tandem Facility, per minute of use</td>
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