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IDAHO PUBLIC
UTILITIES COMMISSION

verizon

17933 N.W. Evergreen Pkwy
P.O. Box 1100
Beaverton, OR 97076

December 29, 2004

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho

RE: Amendment 2 to the Interconnection Agreement between Verizon Northwest Inc. and Level 3 Communications

Dear Ms. Jewell,

Enclosed for filing is the original and three copies of Amendment 2 to the interconnection agreement between Verizon Northwest Inc. and Level 3 Communications. The case number for this agreement is VZN-T-02-4. Please call me at (503) 645-7909 if you have any questions.

Sincerely,

Renee Willer

Renee M. Willer
Verizon Northwest Inc.

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2004 DEC 30 AM 10: 17
IDAHO PUBLIC
UTILITIES COMMISSION

AMENDMENT NO. 2

to the

INTERCONNECTION AGREEMENT

between

VERIZON NORTHWEST INC.

and

LEVEL 3 COMMUNICATIONS, LLC

This Amendment No. 2 (the "Amendment") shall be deemed effective on the "Effective Date" by and between Verizon Northwest Inc. ("Verizon"), a Washington corporation with offices at 1800 41st Street, Everett, WA 98201, and Level 3 Communications, LLC, a Delaware limited liability company with offices at 1025 Eldorado Boulevard, Broomfield, Colorado 80021 ("Level 3"). Verizon and Level 3 may hereinafter be referred to collectively as the "Parties" and individually as a "Party". This Amendment covers services in the State of Idaho.

WITNESSETH:

WHEREAS, pursuant to an adoption letter dated March 29, 2002 (the "Adoption Letter"), Level 3 adopted in the State of Idaho, the interconnection agreement between Ciera Network Systems, Inc. and Verizon (such Adoption Letter and underlying adopted interconnection agreement referred to herein collectively as the "Agreement"); and

WHEREAS, the Parties wish to amend the Agreement to reflect their agreement on intercarrier compensation and interconnection architecture as set forth in Attachment A to this Amendment.

NOW, THEREFORE, in consideration of the mutual promises, provisions and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Parties agree that the terms and conditions set forth in Attachment A shall govern the Parties' mutual rights and obligations with respect to intercarrier compensation

and interconnection architecture.

2. Conflict between this Amendment and the Agreement. This Amendment shall be deemed to revise the terms and provisions of the Agreement to the extent necessary to give effect to the terms and provisions of this Amendment. In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, this Amendment shall govern, *provided, however,* that the fact that a term or provision appears in this Amendment but not in the Agreement, or in the Agreement but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 2.

3. Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

4. Captions. The Parties acknowledge that the captions in this Amendment have been inserted solely for convenience of reference and in no way define or limit the scope or substance of any term or provision of this Amendment.

5. Scope of Amendment. This Amendment shall amend, modify and revise the Agreement only to the extent set forth expressly in Section 1 of this Amendment, and, except to the extent set forth in Section 1 of this Amendment, the terms and provisions of the Agreement shall remain in full force and effect after the Effective Date.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed.

LEVEL 3 COMMUNICATIONS, LLC

By: _____

Printed: LaCharles Keesee

Title: Vice President - Wholesale Voice Services

10/20/2004

VERIZON NORTHWEST INC.

By: _____

Printed: Jeffrey A. Masoner

Title: Vice President - Interconnection Services

Attachment A

1. Definitions. For the purposes of this Attachment, the following terms shall have the meanings provided below.

(a) "Act" means the Communications Act of 1934 (47 U.S.C. Section 151 et. seq.), as amended from time to time (including, but not limited to, by the Telecommunications Act of 1996).

(b) A "Call Record" shall include identification of any VOIP Traffic as VOIP Traffic, as well as at least one of the following: charge number, Calling Party Number ("CPN"), or Automatic Number Identifier. In addition, a "Call Record" may include any other information agreed upon by both Parties to be used for identifying the jurisdiction of the call or for assessing applicable intercarrier compensation charges. If the Forbearance Order and/or the FCC VOIP Order (as such terms are defined in Section 3.2) render this definition of "Call Record" to be inapplicable for the purpose of determining the jurisdiction of the call, the Parties will negotiate to agree upon any other information to be used prospectively for identifying the jurisdiction of a call and/or for assessing applicable intercarrier compensation charges as a replacement for charge number, CPN, or ANI.

(c) "Compensable Base" means the total combined minutes of use of ISP-Bound Traffic and Local Traffic originated by Verizon to Level 3 from July 1, 2002 through June 30, 2003 in all jurisdictions, that Verizon has agreed in writing are subject to intercarrier compensation. Any minutes of use that Verizon has not agreed are subject to intercarrier compensation, or as to which there remains an outstanding billing dispute between the Parties, shall not be included in the Compensable Base.

(d) "End User" means a third party residence or business end-user subscriber to Telephone Exchange Services, as such term is defined in the Act, provided by either of the Parties.

(e) "Effective Date" means April 1, 2004.

(f) "End Office" means a switching entity that is used to terminate End User station loops for the purpose of interconnection to each other and to trunks.

(g) "Extended Local Calling Scope Arrangement" means an arrangement that provides a End User a local calling scope (Extended Area Service, "EAS"), outside the End User's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the End User terminates outside of the End User's basic exchange serving area.

(h) "Exchange Access" shall have the meaning set forth in the Act.

(i) *Intentionally left blank.*

(j) "Information Access" means the provision of specialized exchange Telecommunications Services in connection with the origination, termination, transmission, switching, forwarding or routing of Telecommunications traffic to or from the facilities of a provider of information services, including an Internet service provider.

(k) "Information Service" shall have the meaning set forth in the Act.

(l) "ISP-Bound Traffic" means any Telecommunications traffic originated on the public switched telephone network ("PSTN") on a dial-up basis that is transmitted to an internet service provider at any point during the duration of the transmission, including V/FX Traffic that is transmitted to an internet service provider at any point during the duration of the transmission, but not including VOIP Traffic.

(m) "LERG" or "Local Exchange Routing Guide" means a Telcordia Technologies reference containing NPA/NXX routing and homing information.

(n) "Local Traffic" consists of Telecommunications traffic for which compensation is required by both Section 251(b)(5) of the Act and 47 C.F.R Part 51; and, for the avoidance of any doubt, the following types of traffic, among others, do not constitute Local Traffic under the terms of this Agreement: ISP-Bound Traffic; Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access; toll traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; Optional Extended Local Calling Scope Arrangement Traffic; special access, private line, frame relay, ATM, or any other traffic that is not switched by the receiving party; tandem transit traffic; V/FX Traffic; voice Information Service traffic; or VOIP Traffic.

(o) "NXX or "NXX Code" means the three-digit switch entity indicator (i.e. the first three digits of a seven-digit telephone number).

(p) "Switched Exchange Access Service" means the offering of transmission and switching services for the purpose of the origination or termination of toll traffic. Switched Exchange Access Services include but may not be limited to: Feature Group A, Feature Group B, Feature Group D, 700 access, 800 access, 888 access and 900 access.

(q) "Tandem" or "Tandem Switch" means a physical or logical switching entity that has billing and recording capabilities and is used to connect and switch trunk circuits between and among End Office Switches and between and among End Office Switches and carriers' aggregation points, points of termination, or points of presence, and to provide Switched Exchange Access Services.

(r) "Telecommunications" shall have the meaning set forth in the Act.

(s) "Telecommunications Carrier" shall have the meaning set forth in the Act.

(t) "Virtual Foreign Exchange Traffic" or "V/FX" Traffic means a call to an End User assigned a telephone number with an NXX Code (as set forth in the LERG) associated with an exchange that is different than the exchange (as set forth in the LERG) associated with the actual physical location of such End User's station.

(u) "VOIP Traffic" means voice communications that are transmitted in whole or in part over packet switching facilities using Internet Protocol or any similar packet protocol. For avoidance of doubt, VOIP Traffic does not include ISP-Bound Traffic that is not used to generate voice traffic to or from the PSTN.

(v) "Wire Center" means a building or portion thereof which serves as the premises for one or more Central Office Switches and related facilities.

2. General/Term. Notwithstanding any change to Applicable Law effected after the Effective Date (and not withstanding any provision in the Agreement governing the Parties' rights or obligations in the event of such a change in Applicable Law), subject to compliance with Sections 6 and 7 below, and provided that there are no outstanding billing disputes between the Parties with respect to intercarrier compensation charges billed by either Party prior to the Effective Date with respect to Local Traffic, ISP-Bound Traffic or switched access traffic, the terms set forth in subsections 2.1-2.4 below shall govern the Parties' rights and obligations regarding compensation for ISP-Bound Traffic and Local Traffic. If there are outstanding billing disputes between the Parties with respect to intercarrier compensation charges billed by either Party prior to the Effective Date with respect to Local Traffic, ISP-Bound Traffic or switched access traffic, then subsections 2.1-2.4 below shall not apply and compensation for ISP-Bound Traffic and Local Traffic exchanged between the Parties shall be governed by the following: (i) an intercarrier compensation rate of zero ($0) shall apply to ISP-Bound Traffic delivered by Verizon to Level 3 and (ii) Verizon's then-prevailing reciprocal compensation rates in each particular service territory (as set forth in Verizon's standard price schedules, as amended) shall apply to ISP-Bound Traffic delivered by Level 3 to Verizon and to all Local Traffic exchanged between the Parties. For purposes of the preceding sentence only, all Local and ISP-Bound Traffic above a 2:1 ratio shall be considered to be ISP-Bound Traffic.

2.1 Intercarrier Compensation for ISP-Bound Traffic and Local Traffic. Commencing on the Effective Date, and continuing prospectively for the applicable time periods described below, when ISP-Bound Traffic or Local Traffic is originated by an End User of a Party on that Party's network (the "Originating Party") and delivered to the other Party (the "Receiving Party") for delivery to an End User of the Receiving Party, the Receiving Party shall bill and the Originating Party shall pay intercarrier compensation at the following equal and symmetrical rates: $.0005 per minute of use for

the period beginning on the Effective Date and ending on December 31, 2004, $.00045 per minute of use for the period beginning January 1, 2005 and ending on December 31, 2005, $.0004 per minute of use for the period beginning January 1, 2006 and ending upon the effective date of termination of this Section 2.1 (collectively, the "Intercarrier Compensation Rates"); ***provided, however***, that Verizon shall be under no obligation to pay any intercarrier compensation to Level 3 on Local Traffic or ISP-Bound Traffic insofar as the total combined minutes of use of such traffic originated by Verizon to Level 3 in all jurisdictions in which the Parties exchange traffic exceeds the Compensable Base by the following threshold percentages during each of the specified calendar years: 175% for 2004, 200% for 2005, 225% for 2006, and 225% for any calendar year subsequent to 2006 in which this Section 2.1 remains in effect.

2.2 The Intercarrier Compensation Rates shall not apply to V/FX Traffic that is not ISP-Bound Traffic, which such other V/FX Traffic shall be subject to applicable Switched Exchange Access Service tariff charges; provided, however, that the Parties do not agree on the compensation due for the exchange of VOIP Traffic that may constitute V/FX Traffic under Section 1(t) ("V/FX VOIP Traffic"). Pending resolution of the Parties' dispute on the compensation due for V/FX VOIP Traffic, Level 3 shall pay at least the Intercarrier Compensation Rates to Verizon for V/FX VOIP Traffic (other than V/FX VOIP Traffic addressed in Section 3.1, as to which interstate access charges shall apply) that it delivers to Verizon (in doing so, but without any probative value as to the substance of either Party's position on the appropriate compensation due on V/FX VOIP Traffic, Level 3 may dispute access or intercarrier compensation charges billed by Verizon in excess of the Intercarrier Compensation Rates). The Parties hereby agree that, as of the Effective Date, they are exchanging only a de minimis amount of V/FX Traffic that is not ISP-Bound Traffic; the Parties further agree that, from time to time, upon written request from either Party, the other Party shall review with the requesting Party whether the amount of such V/FX Traffic that is not ISP-Bound Traffic exchanged between them remains de minimis. For avoidance of doubt, the Intercarrier Compensation Rates also shall not apply to VOIP Traffic, except as set forth in this paragraph or to the extent otherwise required by Section 3 below.

2.3 Notwithstanding anything else in this Attachment, and except as otherwise provided in this Section 2.3, if Level 3 fails to comply with Sections 6 and 7 of this Attachment, the Intercarrier Compensation Rates set forth in this Section 2 shall not apply to ISP-Bound Traffic and Local Traffic delivered by Verizon to Level 3. Instead, the applicable intercarrier compensation rate for such ISP-Bound Traffic and Local Traffic delivered by Verizon to Level 3 shall be zero ($0) effective on the date Verizon provides Level 3 written notice detailing the specific facts and documentation supporting its position of non-compliance with Sections 6 and 7 of this Attachment ("Non-Compliance Notice") and continuing until the earlier of a determination by Verizon that Level 3 is in compliance with Sections 6 and 7 of this Attachment or termination of Sections 2 and 3 of this Attachment, as provided in Section 4 below. If Level 3 disagrees with the non-compliance finding, Level 3 shall respond in writing to Verizon within ten

business days of receipt of the Non-Compliance Notice with: (i) facts and documentation supporting its position and (ii) the name of an individual who will serve as Level 3's representative for purposes of negotiating resolution of the non-compliance dispute ("Level 3 Response"). Verizon shall have ten business days from receipt of the Level 3 Response to designate its representative to the negotiation, and shall continue to make payments during the Negotiation Period (as defined below) as though the Intercarrier Compensation Rates in this Section 2 continued to apply. The Parties' representatives shall meet at least once within 45 days after the date of the Level 3 Response in an attempt to reach a good faith resolution of the dispute. Upon agreement, the Parties' representatives may utilize other alternative dispute resolution procedures such as private mediation to assist in the negotiations. If the Parties have been unable to resolve the dispute within 45 days of the date of the Level 3 Response ("Negotiation Period"), either Party may pursue any remedies available to it under the Agreement, at law, in equity, or otherwise, including, but not limited to, instituting an appropriate proceeding before the Commission, the FCC, or a court of competent jurisdiction; ***provided, however***, that if the matter is resolved with a finding that Level 3 was not in compliance with Sections 6 and 7 of this Attachment, Level 3 shall refund any payments of the Intercarrier Compensation Rates made by Verizon during the Negotiation Period.

2.4 In the event that Verizon should continue to offer or provide unbundled network element platforms ("UNE-P") after the Effective Date, the Intercarrier Compensation Rates shall not apply to any traffic involving Level 3 End Users served by UNE-P, and the Parties instead will negotiate in good faith to conclude mutually acceptable provisions governing intercarrier compensation associated with traffic to Level 3 End Users served by UNE-P.

3. VOIP Traffic.

3.1 Agreement to Comply with FCC Declaratory Ruling. The Parties agree that VOIP Traffic that originates on and terminates to the PSTN shall be subject to interstate access charges, as set forth in the FCC's Order, *In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, FCC 04-97, WC Docket No. 02-361 (released April 21, 2004) ("AT&T Order") unless and until the AT&T Order is modified in the Forbearance Order and/or the FCC VOIP Order (as such terms are defined in Section 3.2), in which case the Parties will negotiate an amendment to this Attachment to apply prospectively from the date of such Forbearance Order and/or the FCC VOIP Order addressing intercarrier compensation for the VOIP Traffic described in this Section 3.1.

3.2 Other VOIP Traffic. Except as provided in Section 3.1, the Parties do not agree on the compensation due for the exchange of VOIP Traffic. Accordingly, until such time as the FCC issues a substantive order in WC Docket No. 04-36 (FCC 04-28) on what compensation is due for the exchange of VOIP Traffic ("FCC VOIP Order") and such order becomes effective, Level 3 shall: (i) identify and track all VOIP Traffic that either

originates or terminates on the PSTN and (ii) pay at least the Intercarrier Compensation Rates to Verizon for VOIP Traffic other than VOIP Traffic addressed in Section 3.1 that it delivers to Verizon (in doing so, but without any probative value as to the substance of either Party's position on the appropriate compensation due on VOIP Traffic, Level 3 may dispute access or intercarrier compensation charges billed by Verizon in excess of the Intercarrier Compensation Rates) . Upon effectiveness of the FCC VOIP Order, such FCC VOIP Order shall be applied prospectively from the effective date of the FCC VOIP Order and retroactively to the Effective Date (taking into account intercarrier compensation payments made on VOIP Traffic under the preceding sentence); ***provided, however,*** that if a Party has filed a forbearance proceeding at the FCC addressing whether access charges should apply to VOIP Traffic originating or terminating on the PSTN, such as Level 3's filing of a petition for forbearance in Docket No. 03-266 ("Forbearance Proceeding"), then if the FCC issues an order in such Forbearance Proceeding or the petition for forbearance otherwise becomes effective (in either case, the "Forbearance Order") prior to issuance of the FCC VOIP Order, the Parties agree to apply the results of the Forbearance Order to the VOIP Traffic defined in the Forbearance Order prospectively from the effective date of the Forbearance Order and retroactively to the Effective Date until such time as the FCC VOIP Order is issued (taking into account intercarrier compensation payments made on VOIP Traffic under the preceding sentence), at which time such FCC VOIP Order shall be applied to the VOIP Traffic defined in the FCC VOIP Order prospectively from the effective date of the FCC VOIP Order (such implementation of a Forbearance Order and/or the FCC VOIP Order, the "VOIP Order Application"); ***provided, further*** that if VOIP Traffic is treated as Information Service traffic or as Local Traffic (either substantively or for compensation purposes only) by the Forbearance Order and/or the FCC VOIP Order, then for purposes of implementing such order(s) as part of the VOIP Order Application only (and only so long as the Forbearance Order and/or the FCC VOIP Order are in effect), VOIP Traffic terminated to or originated on the PSTN shall be subject to a rate of $.0007 per minute of use except to the extent the amount of VOIP Traffic delivered by Verizon to Level 3 exceeds the amount of VOIP Traffic delivered by Level 3 to Verizon in a monthly billing period by more than 10% ("Imbalance Factor"), in which case for all VOIP Traffic delivered by Verizon to Level 3 during that billing period in excess of the Imbalance Factor, Level 3 shall bill and Verizon shall pay the Intercarrier Compensation Rates; and ***provided, further***, that Level 3 and Verizon expressly waive any grounds they may have to raise any timing limitation on back-billing implemented by the other Party to effectuate the VOIP Order Application.

4. Termination. Either Party may terminate Sections 2 and 3 of this Attachment effective on or after January 1, 2007 (such date, "Termination Effective Date") by providing nine (9) months advance written notice to the other Party if the notice is provided on or before November 30, 2006 or by providing thirty (30) days advance written notice to the other Party if the notice is provided on or after December 1, 2006 (in either case, the date such notice is provided shall be the "Termination Notice Date," which shall not be prior to

April 1, 2006), provided that in the event that either Party elects to exercise its right to terminate Sections 2 and 3 of this Attachment: (i) the Parties shall promptly amend the Agreement to govern intercarrier compensation between the Parties for Local Traffic and ISP-Bound Traffic, and any such amendment (whether negotiated, arbitrated or otherwise litigated) shall be effective as of the Termination Effective Date and (ii) the VOIP Order Application described in Section 3.2 of this Attachment shall not apply to any time period after the Termination Notice Date (but which VOIP Order Application, for avoidance of doubt, will continue to apply to all time periods between the Effective Date and the Termination Notice Date regardless of the issuance date of the Forbearance Order or FCC VOIP Order; provided, further, that Section 3.2 shall be included in any interconnection agreement or amendment (including adoptions) entered into by the Parties unless and until the VOIP Order Application has been implemented by the Parties).

5. Other Traffic.
Notwithstanding anything else in this Attachment, for traffic Level 3 delivers to Verizon that originates with a third carrier, except as may be subsequently agreed to in writing by the Parties, Level 3 shall pay Verizon the same amount that such third carrier would have paid Verizon for that traffic at the location the traffic is delivered to Verizon by Level 3.

6. Call Records. Each Party shall take steps to ensure that all calls (including VOIP traffic) that it delivers to the receiving Party include a Call Record, and that such Call Records are transmitted intact to the receiving Party. Neither Party shall: (i) remove Call Records, (ii) alter or replace Call Records, or (iii) insert or add any Call Record information (such as a Charge Number) that does not correspond to that of the calling party. Using its best efforts and to the extent technically feasible, each Party also shall undertake steps to ensure that any service provider who hands off traffic for delivery to the other Party does not: (i) remove Call Records, (ii) alter or replace Call Records, or (iii) insert or add any Call Record information (such as a Charge Number) that does not correspond to that of the calling party. Neither Party shall knowingly and intentionally (a) strip or alter Call Records to disguise the jurisdiction of a call or (b) permit third parties to do so for traffic the Party delivers to the other Party.

6.1 For billing purposes, each Party shall pass a Call Record on each call delivered to the other Party to the extent technically feasible. The Receiving Party shall bill the Originating Party the then-current Intercarrier Compensation Rate, intrastate Switched Exchange Access Service rates, or interstate Switched Exchange Access Service rates applicable to each relevant minute of traffic for which Call Records are passed based on the Call Records, or other information that allows the Receiving Party to determine the jurisdiction of the call in accordance with the provisions herein, as provided in this Attachment, the applicable interconnection agreement between the Parties or the Receiving Party's applicable tariffs.

6.2 If, the percentage of calls passed with Call Record information is greater than ninety percent (90%), all calls exchanged without Call Record information will be billed according

to the jurisdictional proportion of the calls passed with Call Record information. If the percentage of calls passed without Call Record information is less than ninety percent (90%), all calls without Call Record information up to (but not exceeding) ten percent (10%) of all calls, will be billed according to the jurisdictional proportion of the calls passed with Call Record information, and the remaining calls without Call Record information will be billed at intrastate Switched Exchange Access Service rates.

6.3 *Intentionally left blank.*

6.4 If the Receiving Party lacks the ability to use Call Records to classify on an automated basis traffic delivered by the other Party as either ISP-Bound Traffic or Local Traffic or toll traffic, the Originating Party will supply, at the request of the Receiving Party, an auditable Percent Local Usage ("PLU") report (including Local Traffic and ISP-Bound Traffic) quarterly, based on the previous three (3) months' traffic, and applicable to the following three (3) months' traffic. If the Originating Party also desires to combine interstate and intrastate toll traffic on the same trunk group, it will supply an auditable Percent Interstate Usage ("PIU") report quarterly, based on the previous three (3) months' terminating traffic, and applicable to the following three (3) months' traffic. In lieu of the foregoing PLU and/or PIU reports, the Parties may agree to provide and accept reasonable surrogate measures for an agreed-upon period.

6.5 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. The Parties agree that, in addition to any applicable audit provisions in their applicable interconnection agreement, each Party shall have the right to conduct, at its own cost, periodic (but in any case no more frequent than semi-annual) audits, on commercially reasonably terms and conditions, with respect to billings sent in connection with this Attachment; and the other Party agrees to reasonably cooperate with any such audits.

6.6 For avoidance of doubt, all of this Section 6 shall apply to VOIP Traffic exchanged between the Parties until such time as the VOIP Order Application is implemented pursuant to Section 3.2 above, at which time all of this Section 6 shall continue to apply to VOIP Traffic except as otherwise provided by implementation of the VOIP Order Application.

7. Points of Interconnection; Mutual POIs. Notwithstanding any other provision in the interconnection agreement between the parties, any applicable tariff or SGAT, or under Applicable Law, this Section shall set forth the Parties' respective rights and obligations with respect to interconnection architecture.

7.1 Mutual points of interconnection ("POIs") in each LATA in which the Parties exchange traffic shall be established as set forth in this Section 7.

(a) Level 3 shall establish at least one technically feasible point on Verizon's network in each of the Verizon Tandem serving areas in each LATA in which the Parties exchange traffic at which each Party shall deliver its originating traffic to the other Party (such a point, a "mutual POI"). Each mutual POI shall be at the relevant Verizon Tandem Wire Center, unless otherwise agreed to in writing by the Parties. Level 3 shall deliver traffic that is to be terminated through a Verizon End Office to the mutual POI at the Verizon Tandem Wire Center that such Verizon End Office subtends. Each mutual POI established under this Section 7.1(a) may be accomplished by Level 3 through: (1) a collocation site established by Level 3 at the relevant Verizon Tandem Wire Center, (2) a collocation site established by a third party at the relevant Verizon Tandem Wire Center, or (3) transport (and entrance facilities where applicable) ordered and purchased by Level 3 from Verizon at the applicable Verizon intrastate access rates and charges.

(i) The Parties may use the trunks delivering traffic to the mutual POI to deliver the following types of traffic between their respective Telephone Exchange Service End Users: Local Traffic, ISP-Bound Traffic, VOIP Traffic, tandem transit traffic, translated LEC IntraLATA toll free service access code (e.g., 800/888/877) traffic, and where agreed to between the Parties and as set forth in subsection (ii) below, IntraLATA and InterLATA toll traffic.

(ii) Under the architectures described in this Section 7, and subject to mutual agreement of the Parties, either Party may use the trunks delivering traffic to the mutual POI for the termination of intraLATA or interLATA toll traffic in accordance with the terms contained in this Section 7 and pursuant to the other Party's Switched Exchange Access Services Tariffs. If Level 3 seeks for Verizon to deliver intraLATA and interLATA presubscribed traffic originated by Verizon End Users to Level 3 over existing local interconnection architecture, Level 3 shall make a written request of Verizon, and subject to the mutual agreement of the Parties: (i) the Parties will evaluate the feasibility of transporting such traffic in this manner through testing and other means (in which case, all testing and development costs incurred by Verizon shall be borne by Level 3) and (ii) the Parties shall attempt in good faith to negotiate an amendment to this Attachment to address such traffic. When toll traffic is delivered over the same trunks as Local and/or ISP-Bound Traffic, any port, transport or other applicable access charges related to the delivery of toll traffic from the mutual POI on Verizon's network in a LATA to the terminating Party's End User shall be prorated so as to apply to the toll traffic.

(iii) Notwithstanding anything else in this Agreement, Interstate and

intrastate Exchange Access, Information Access, exchanges services for Exchange Access or Information Access, and toll traffic, shall be governed by the applicable provisions of this Attachment, the Agreement and applicable Tariffs.

(b) At any time that Level 3 has established a Collocation site at a Verizon End Office Wire Center, then either Party may request that such Level 3 Collocation site be established as a Mutual POI for traffic originated from or terminated to Verizon End Users served by an End Office in the Verizon End Office Wire Center.

(c) In any LATA in which there are fewer than two (2) Verizon Tandems, then in addition to the mutual POI at the Verizon Tandem Wire Center, Verizon may request and Level 3 shall establish an additional mutual POI at any Verizon End Office Wire Center: (i) at any time after the traffic exchanged between Level 3 and Verizon End Users served by the Verizon End Office reaches six (6) DS1s (approximately 1.3 million minutes of use per month) or (ii) at any Verizon End Office which is subtended by remote Verizon End Office(s) (any mutual POI located at a Verizon End Office Wire Center pursuant to this Section 7.1(c), an "Additional Mutual POI"). Verizon also may require the establishment of an Additional Mutual POI at a Verizon End Office other than the serving Verizon End Office, in which case Level 3 shall order Direct End Office Trunks ("DEOTs") from Verizon between the serving Verizon End Office and the Additional Mutual POI, with all costs of the portions of such DEOTs carrying Local Traffic and ISP-Bound Traffic to be borne by Verizon. In the situation described in the foregoing sentence, Level 3 shall be responsible for ordering and providing DEOTs on the Level 3 side of the Additional Mutual POI, with all costs of such DEOTs to be borne by Level 3. Level 3 shall establish any Additional Mutual POI requested by Verizon under this Section 7.1(c) within six (6) months of the date of the request, unless otherwise agreed to by the Parties. Each Additional Mutual POI requested under this Section 7.1(c) may be established by Level 3 through: (i) a collocation site established by Level 3 at the requested Verizon End Office Wire Center, (ii) a collocation site established by a third party at the requested Verizon End Office Wire Center, or (iii) transport (and entrance facilities where applicable) ordered and purchased by Level 3 from Verizon at the applicable Verizon intrastate access rates and charges. Each Party shall bear its own costs with respect to migration to Additional Mutual POIs established under this Section 7.1(c).

(d) For those Verizon End Offices that subtend a third party Tandem, Verizon may elect to exchange traffic through the third party Tandem or may designate a point on the Verizon network in the relevant Tandem serving area as the relevant mutual POI. Any point elected by Verizon under this Section 7.1(d) shall be the point at which the Intercarrier Compensation Rates shall be applied. If the designated mutual POI is not at the relevant Tandem, then Level 3 shall hand off direct non-switched trunks to

the relevant terminating Verizon End Offices at the mutual POI. For avoidance of doubt, nothing in this Section 7.1(d) shall alter Verizon's ability to require the establishment of Additional Mutual POIs under Section 7.1(c) above. If Verizon elects to exchange traffic through a third party Tandem under this Section 7.1(d), then any transiting, transport or fixed (as prorated) charges imposed by the third party shall be paid by the Party originating the traffic exchanged through the third party Tandem.

(e) Should Level 3 interconnect with any Telecommunications Carrier that is not a Party to this agreement at a point that is not a mutual POI under this Attachment, Verizon may elect to deliver traffic to such point(s) for the NXXs or functionalities served by those Points. To the extent that any such point is not located at a Collocation site at a Verizon Tandem (or Verizon Host End Office), then Level 3 shall permit Verizon to establish physical interconnection at the point, to the extent such physical interconnection is technically feasible.

7.2 Subject to subsections 7.4 and 7.6 below, neither Party may charge (and neither Party shall have an obligation to pay) any recurring fees, charges or the like (including, without limitation, any transport charges), with respect to ISP-Bound Traffic and Local Traffic that either Party delivers at a mutual POI, other than the Intercarrier Compensation Rates; ***provided, however,*** for the avoidance of any doubt, Level 3 shall also pay Verizon, at the rates set forth in an applicable interconnection agreement between the Parties or applicable Verizon Tariff for any multiplexing, cross connects or other Collocation-related services that Level 3 obtains from Verizon.

7.3 If the traffic destined for an End Office exceeds the CCS busy hour equivalent of two (2) DS1s for any three (3) months in a six (6) month period, Verizon may request Level 3 to order DEOTs to that End Office. Verizon shall be responsible for providing such DEOTs on the Verizon side of the mutual POI, with all costs of the portions of such DEOTs carrying Local Traffic and ISP-Bound Traffic to be borne by Verizon. Level 3 shall be responsible for ordering and providing such DEOTs on the Level 3 side of the mutual POI, with all costs of such DEOTs to be borne by Level 3. After initially establishing DEOTs pursuant to this subsection, traffic routed to this End Office will be allowed to overflow to the Tandem not to exceed the CCS busy hour equivalent of one (1) DS1. For avoidance of any doubt, neither Party will assess recurring and/or non-recurring charges for the implementation, installation, maintenance and utilization of interconnection trunks and facilities for the portions of such trunks carrying Local and ISP-Bound Traffic on its side of the mutual POI.

7.4 In those LATAs in which the Parties have previously established interconnection at POIs and/or are using interconnection transport and trunking architectures other than as set forth pursuant to the terms of Section 7.1(a), the interconnection transport and trunking architectures shall be governed by this Section 7.4.

(a) Verizon may require Level 3, via written notice to Level 3, to bring pre-existing interconnection arrangements into compliance with the terms of Section 7.1(a) through one of the following methods:

(i) Unless otherwise agreed in writing by the Parties, Level 3 shall implement a physical migration of the pre-existing arrangements to the terms prescribed herein within six (6) months of the date of such notice; or

(ii) In lieu of requiring physical rearrangements of pre-existing facilities or where the physical rearrangement has not been completed within six (6) months following such notice, the Parties shall implement a billing arrangement pursuant to which Level 3 shall pay Verizon for the transport (and entrance facilities if provided by Verizon) between each Verizon Tandem (or Additional Mutual POIs at Verizon End Offices in LATAs with less than two (2) Verizon Tandems) and the delivery to or from Level 3 at the Level 3 switch or other location, at the applicable Verizon intrastate access rates and charges.

(b) With respect to subsection 7.4(a) directly above, each Party shall bear its own costs with respect to any such migration; the Parties will coordinate any such migration, trunk group prioritization, and implementation schedule; and Verizon agrees to develop a cutover plan and to project manage the cutovers with Level 3 participation and agreement.

(c) *Intentionally left blank.*

(d) From and after the Effective Date, in any LATA where the Parties have not yet established mutual POIs or Additional Mutual POIs as described in Section 7.1(a) (including, without limitation, the situation presented in subsection 7.4(a) above), Level 3 shall not bill (and Verizon not have any obligation to pay) any fees, charges, or the like (including, without limitation, any transport charges) with respect to such arrangements, and to the extent that Level 3 utilizes transport provided by Verizon between the Level 3 network and the current point at which the Parties interconnect, Level 3 shall purchase such transport from Verizon at Verizon's tariffed intrastate access rates.

7.5 The Parties recognize that embedded one-way trunks may exist for the exchange of traffic between the Parties. To the extent either Party requires a transition of such one-way trunks to two-way trunks, the Parties agree to negotiate an amendment to set forth the terms and conditions for two-way trunks (if necessary), as well as to negotiate a transition plan to migrate the embedded one-way trunks to two-way trunks provided that Verizon shall bill, and Level 3 shall pay, the non-recurring charges for such conversions as set forth in Verizon's applicable tariffs.

7.6 Level 3 may apportion spare capacity on existing access entrance facilities (and/or transport where applicable) purchased by Level 3 between the relevant mutual POIs and/or the Level 3 switch as described in this Section 7; however, any such apportionment shall not affect the rates or charges applied to the relevant facilities.

VZ/Level 3 Unitary Compensation and Interconnection Architecture
Contract Amendments
Effective 4/1/04

Unitary Compensation Rate

- Applies to Local and ISP bound traffic (including VFX ISP traffic)
- $.0005/mou April 1-December 31 2004
- $.00045/mou January 1-December 31 2005
- $.0004/mou January 1 2006 through termination
- VZ payment for Local/ISP traffic mous capped based on volume of compensable mous sent to Level 3 between July 1 2002-June 30 2003; caps are 175% in 2004, 200% in 2005, 225% in 2006 and subsequent years
- Prerequisites to VZ payment: if there are outstanding billing disputes on the effective date, no compensation is to be paid for ISP traffic sent to L3 and reciprocal compensation rates apply to Local Traffic and ISP traffic from L3 to VZ; if L3 fails to comply with mutual POI architecture and/or call record requirements, then rate for traffic from VZ to L3 drops to zero (amendment sets dispute resolution process if L3 disagrees)
- Unitary rate does not apply to UNE P traffic

Compensation for VOIP Traffic

- VOIP traffic originating and terminating on the PSTN subject to interstate access (pursuant to FCC order released April 24 2004) subject to negotiation upon any change in law
- Parties do not agree on compensation for other VOIP traffic
- Level 3 to identify and track VOIP traffic originating from or terminating to PSTN
- Level 3 shall pay at least the unitary rate for VOIP traffic to VZ; VZ may bill access
- Parties agree to implement FCC VOIP orders retroactively to effective date of agreement (if FCC acts first on L3 VOIP petition, the parties will then implement any generic FCC VOIP order prospectively from the effective date of the generic order)
    - If the FCC treats VOIP as Information Service traffic or as Local Traffic, then VOIP traffic shall be subject to $.0007/mou (if VZ PSTN traffic to L3 VOIP is more than 10% greater than L3 VOIP to VZ PSTN traffic, then the rate paid by VZ for traffic in excess of the 10% imbalance shall be the unitary rate)

Call Records/Jurisdictional and Billing Indicators

- Billing shall be based on call records or other information that allows the receiving party to determine call jurisdiction in accordance with the agreement

- Parties shall not remove, alter, or replace call records or insert call record information that does not correspond to the calling party
- Parties shall pass call records on each call, including VOIP traffic, to the extent technically feasible
- If calls with call record information is greater than 90%, then calls without call record information shall be billed according to the jurisdictional proportion of calls passed with call record information; below 90%, those calls without call record information shall be billed intrastate switched access
- Parties may use auditable PIU/PLU report if the receiving party lacks the ability to bill based on call records

Mutual POI Architecture

- Mutual POIs shall generally be established at each VZ Tandem Wire Center; these may be implemented via collocation or L3 may purchase intrastate access-rated transport from VZ; unitary rate (and no additional charges other than VZ charges for collocation, muxing, and cross connects) applies for Local/ISP Traffic handed off at the terminating mutual POI
- L3 may deliver toll traffic over same trunks as Local/ISP Traffic subject to prorating port, transport, or other applicable access charges
- VZ may request that any L3 end office collocation site be established as the mutual POI for traffic originated from or terminated to that end office
- VZ may request that L3 establish DEOTs from a mutual POI to any end office if traffic from L3 to the end office exceeds 2 DS1s for any 3 months in a 6 month period (DEOTs from mutual POI to end office shall not be charged to L3)
- In LATAs with fewer than 2 VZ tandems, VZ may request additional mutual POIs at any end office where traffic exchanged with L3 reaches 6 DS1s (approximately 1.3M mou/month) or at any host end offices subtended by remote end offices
- For VZ offices subtending a third party tandem, VZ may elect to exchange traffic through the third party tandem, or may designate a point on the VZ network in the relevant tandem serving area (compensation rates apply at the designated point; the originating party pays any transiting fees charged by a third party tandem provider)
- In any LATAs where the parties have previously established a different interconnection architecture, VZ may require L3 to convert to a mutual POI architecture (which L3 shall implement within 6 months, or VZ may bill intrastate access transport and entrance facilities where applicable between the proposed mutual POI and the L3 switch)

Two Way Trunking

- Either party may request a transition from existing one way trunks to two way trunks, subject to negotiation of a transition plan and to applicable VZ NRC conversion charges