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BEFORE THE ARIZONA CORPORATION COMMISSION

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2 RENZ D. JENNINGS
3 CHAIRMAN
4 MARCIA WEEKS
5 COMMISSIONER
6 CARL J. KUNASEK
7 COMMISSIONER

Arizona Corporation Commission
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8 IN THE MATTER OF THE PETITION)
9 OF TCG PHOENIX FOR ARBITRATION)
10 PURSUANT TO §252(b) OF THE TELE-)
11 COMMUNICATIONS ACT OF 1996 TO)
12 ESTABLISH AN INTERCONNECTION)
13 AGREEMENT WITH U S WEST)
14 COMMUNICATIONS, INC.)

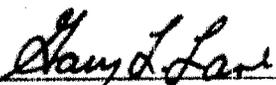
Docket No. U-3016-96-402

**NOTICE OF FILING JOINT
POSITION STATEMENT OF
TELEPORT COMMUNICATIONS,
INC. AND U S WEST
COMMUNICATIONS, INC.**

15 U S WEST Communications, Inc. ("USWC") and Teleport Communications, Inc.
16 ("TCG Phoenix"), by and through their respective attorneys, hereby give notice of the
17 filing of the attached Joint Position Statement of TCG Phoenix and USWC. This Joint
18 Position Statement represents the agreement of the parties in this arbitration proceeding.

19 RESPECTFULLY SUBMITTED this 13th day of September, 1996.

20 U S WEST, INC.
21 Law Department

22 By: 
23 Gary L. Lane
24 Corporate Counsel
25 5090 North 40th., #425
26 Phoenix, Arizona 85018
27 (602) 351-5707

28 AND

FENNEMORE CRAIG
Timothy Berg
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004
(602) 257-5421

Attorneys for U S WEST Communications, Inc.

TCG Phoenix

By:

Deborah S. Waldbaum

Deborah S. Waldbaum, Esq.
Western Region Counsel
Teleport Communications Group, Inc.
201 North Civic Drive, Suite 210
Walnut Creek, California 94596

And

Bruce Meyerson, Esq.
Two Renaissance Square
40 North Central Avenue, 24th Floor
Phoenix, Arizona 85004-4453

Attorneys for TCG Phoenix

ORIGINAL of the foregoing
filed this 13th day of
September, 1996 with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Copy of the foregoing hand-
delivered this 13th day of
September, 1996 to:

Jerry Rudibaugh
Chief Hearing Officer
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Harry L. Lane

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**JOINT POSITION STATEMENT OF
TELEPORT COMMUNICATIONS
GROUP INC.**

AND

**U S WEST
COMMUNICATIONS, INC.**

**ON NEGOTIATED TERMS
TO BE INCLUDED IN AN
ARBITRATED INTERCONNECTION
AGREEMENT**

Final -- September 10, 1996

Teleport Communications Group Inc. ("TCG") and U S WEST Communications, Inc. ("USWC") have negotiated over an interconnection agreement prior to the commencement of arbitration. Although both parties have submitted proposed agreements for use in the arbitration, they have reached agreement on a number of issues. Accordingly, in order to narrow the issues being arbitrated, TCG and USWC hereby stipulate to adoption of the language in the attached document by the arbitrator and by the Commission.

Those areas where the parties have not reached agreement are so marked in the attached document. They will be the subject of the arbitration hearing.

Dated: September 10, 1996


Larry Brotherson

U S WEST Communications, Inc.
7800 East Orchard, Room 390
Englewood, CO 80111
(303) 793-6498
(303) 796-6040

Counsel for USWC



Deborah S. Waldbaum
Teleport Communications Group
201 N. Civic Drive, Suite 210
Walnut Creek, CA 94596
(510) 949-0646
(510) 949-0616 (FAX)

Counsel for TCG

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INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT, made as of this ____ day of _____, 1996, is between TCG-_____, a New York limited partnership ("TCG") and U S WEST Communications, Inc. ("USWC"), a Colorado corporation

RECITALS

WHEREAS, a major purpose of the Telecommunications Act of 1996 ("TA 1996") is to permit and encourage the vigorous competition that provides widespread consumer choice and less government regulation in all segments of the telecommunications industry, and

WHEREAS, this Agreement is intended to promote independent, facilities-based local exchange competition by encouraging the rapid and efficient interconnection of competing local exchange service networks, and

WHEREAS, the Parties seek to accomplish interconnection in a technically and economically efficient manner in accordance with all requirements of TA 1996 including the entire "Competitive Checklist" as set forth in TA 1996, Section 271(c)(2)(B), and

WHEREAS, the public will benefit if the local exchange networks of the Parties are interconnected so that customers of each carrier can seamlessly exchange telecommunications traffic, and

WHEREAS, Section 252 of TA 1996 mandates good faith negotiations between incumbent Local Exchange Carriers and any telecommunications carrier requesting interconnection without regard to the standards set forth in subsections (b) and (c) of Section 251 of TA 1996, and

WHEREAS, USWC and TCG wish to utilize this negotiation process, and,

WHEREAS, TCG notified USWC of its request for negotiations with USWC pursuant to Section 252 of TA 1996 on February 8, 1996 and such negotiations began on _____, 1996 and concluded on _____, 1996,

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, TCG and USWC hereby covenant and agree as set forth in this Agreement

DEFINITIONS

NOT AGREED

I. NETWORK INTERCONNECTION

Compensation terms for services described in this Section are set forth in the Reciprocal Compensation Section below

This Section describes the interconnection of the facilities and equipment of TCG and USWC for interconnection of their networks for the transmission and routing of Exchange Service and jointly provided Switched Access service

The Parties shall reciprocally terminate Local Exchange, IntraLATA Toll and Switched Access traffic, as follows

A Interconnection Within Each LATA

The Parties will interconnect with each access tandem in each LATA in which the Parties originate and terminate IntraLATA Toll and Switched Access traffic, as needed or agreed, so as to permit the interexchange of such traffic. The Parties also will interconnect with each other in each and every local calling area in which the Parties originate Local Exchange Traffic so as to permit the interexchange of such traffic. However, where multiple local calling areas are served by a single local tandem, the Parties will interconnect with each other at that local tandem for origination and termination of Local Exchange Traffic

The Parties agree to interconnect their networks through existing and/or new facilities between their respective switches. The TCG switch, the TCG routing point (if any), the POI and USWC's switch will be listed for each interconnection. A table of such interconnections is attached as Attachment A and is incorporated herein by reference. Amendments to Attachment A may be made by either Party, upon 30 days written notice and acceptance by the other Party. Acceptance will not be unreasonably withheld. Such amendments may be made without the need to renegotiate the terms of the rest of this Agreement

In addition to the interconnection described above, either Party may establish end office-to-end office or end office-to-tandem or tandem-to-tandem trunk groups. In the case of host-remote end offices, such interconnection

- a) for origination and termination of Local Exchange Traffic, shall occur at the location of the host or remote, at the option of the Party deploying the host-remote end office, without mileage charges if the host option is selected, and

- b) for origination and termination of IntraLATA Toll and Switched Access traffic, shall occur at the location of the host, with applicable tariff charges

Such additional Local Interconnection Trunk Groups will be identified in Attachment A or amendments thereto

B Fixed Points of Interconnection

Each trunk group between pairs of the Parties' switches and/or routing points for the exchange of Local Exchange, IntraLATA Toll and jointly provided Switched Access Traffic shall be assigned a fixed POI. TCG will be responsible for engineering its network on its side of the POI. USWC will be responsible for engineering the POI frame (if any) and its network on its side of the POI.

This Section is not intended to limit the Parties' options to choose the facilities over which to route their originated Local Exchange and IntraLATA Toll Traffic

C Sizing and Structure of Interconnection Facilities

NOT AGREED

D Trunking Requirements

NOT AGREED

E Common Channel Signaling and Signaling Protocol

The Parties will interconnect their networks using SS7 signaling, where available, as defined in GR-317 and GR-394, including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features in the interconnection of their networks and access to databases such as 800 and Line Information Data Base ("LIDB"), where TCG requests such access from USWC. TCG may establish CCS interconnections with USWC either directly and/or through a third party. The Parties will cooperate in the exchange of TCAP messages to facilitate full interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its own end users. All CCS signaling parameters, as may be deployed by either Party for its use, will be provided, including CPN. Neither Party will be required by the other Party to deploy any CCS signaling parameters not already deployed within its network. All privacy indicators will be honored.

F Local Interconnection Trunk Arrangements

- 1 The Parties shall deliver traffic over the Local Interconnection Trunk Group(s) to an access tandem only for those publicly-dialable NPA NXX codes served by end offices that directly subtend the access tandem or to those WSPs that directly subtend the access tandem
- 2 Where end office trunking is used, the Parties shall deliver traffic over the Local Interconnection Trunk Group(s) to an end office only for those publicly-dialable NPA NXX codes served by that end office
- 3 The source for the routing instructions shall be the LERG, when available, except as specified in Attachment A. In any case, USWC will not be required to route calls destined to TCG NXXs via another LEC tandem
- 4 Where either Party delivers over the Local Interconnection Trunk Group miscellaneous calls (i.e., time, weather, NPA-555, Busy Line Verify/Interrupt, 976, 900, Mass Calling Codes) destined for the other Party, it shall deliver such traffic in accordance with the serving arrangements defined in the LERG
- 5 Toll Free Service calls will be routed over appropriate trunks carrying Switched Access Traffic unless the end office Party performs the SSP function and the 800 SCP returns an intraLATA POTS-routable number and a CIC of 110. In such a case, these calls will be routed over the appropriate trunk groups carrying Local Exchange or IntraLATA Toll Traffic, if the POTS-routable number returned is located in one of the Party's networks
- 6 Neither Party shall terminate Switched Access Traffic over Local Interconnection Trunks
- 7 N11 codes (i.e., 411, 611, 911) shall not be sent between the Parties' networks over the Local Interconnection Trunk Groups
- 8 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide BLV/BLVI services on calls between their respective end users. The Parties will interconnect as follows

a. For TCG:

BLV and BLVI inquiries to TCG's operator bureaus shall be routed using network-routable access codes published in the LERG

b. For USWC:

Not Agreed

9. Notice of Changes

If a Party makes a change in its network which it believes will materially affect the interoperability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party.

G. Meet Point Trunking Arrangements

NOT AGREED

H. Combination Interconnection Trunk Groups

NOT AGREED

I. Control Office Functions

The Parties shall share responsibility for all Control Office functions for trunks carrying Local Exchange and IntraLATA Toll Traffic, and both Parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

The end office Party is responsible for all Control Office functions for the Meet Point trunks, and shall be responsible for the overall coordination, installation, and maintenance responsibilities for these trunks.

J. Testing and Trouble Responsibilities

At the time of installation of interconnection trunks, and at no additional charge, the Parties will cooperatively install and test the trunks. Additionally, TCG and USWC shall:

- 1 Cooperatively plan and implement coordinated repair procedures for the Meet Point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner
- 2 Provide trained personnel with adequate and compatible test equipment to work with each other's technicians
- 3 Notify each other when there is any change affecting the service requested, including the due date
- 4 Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order, to ensure that the trunks/trunk groups meet agreed-upon acceptance test requirements, and to make commercially reasonable efforts to place the trunks/trunk groups in service by the due date
- 5 Perform sectionalization to determine if a trouble condition is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other
- 6 Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks
- 7 Provide each other with a trouble reporting number to a work center that is staffed 24 hours a day/7 days a week
- 8 Provide to each other test-line numbers and access to test lines, including a test-line number that returns answer supervision in each NPA-NXX opened by a Party
- 9 Based on the network architecture, the Parties agree to the mutual exchange of test calls to ensure the proper recording of usage records in each company's switch, where applicable. These tests are repeatable on demand by either Party upon reasonable notice

K Bilateral Agreements

NOT AGREED

L Interconnection Forecasting

- 1 The Parties agree that during the first year of interconnection, joint forecasting and planning meetings will take place no less frequently than once per quarter
- 2 The Parties shall establish joint forecasting responsibilities for traffic utilization over trunk groups. Intercompany forecast information must be provided by the Parties to each other four times a year. The quarterly forecasts shall include:
 - a (1) tandem Local Interconnection and Meet Point Trunks,
 - (2) tandem-subtending Local Interconnection and end office equivalent Meet Point Trunk requirements, and
 - (3) direct end office interconnection trunksfor a minimum of three (current and plus-1 and plus-2) years.
 - b The use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100,
 - c A description of major network projects anticipated for the following six months that could affect the other Party. Major network projects include trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities that are reflected by a significant increase or decrease in trunking demand for the following forecasting period. This planning will include the issues of network capacity, forecasting and compensation calculation, where appropriate
- 3 If differences in quarterly forecasts of the Parties vary by more than 24 additional DS0 two-way trunks for each Local Interconnection Trunk Group, the Parties shall meet to reconcile the forecast to within 24 DS0 trunks
- 4 If a trunk group is under 75 percent of centum call seconds (ccs) capacity on a monthly average basis for each month of any three month period, either Party may request to resize the trunk group, which resizing will not be unreasonably withheld. If a resizing occurs, the trunk group shall not be

left with less than 25 percent excess capacity. In all cases, grade of service objectives identified below shall be maintained.

5. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

M Interconnection Grade Of Service

A blocking standard of one half of one percent (005) shall be maintained during the average busy hour for final trunk groups carrying jointly provided Switched Access traffic between an end office and an access tandem. All other final trunk groups are to be engineered with a blocking standard of one percent (01)

N Interconnection Deployment

The Parties agree to develop and implement engineering guidelines which will encourage the economic deployment of increasingly robust and diverse interconnection between their networks. The Parties agree that these guidelines, when developed, will form the basis for creation of additional direct trunk groups to end offices. The Parties agree to establish these additional direct trunk groups to end offices, subject to the availability of facilities and trunk equipment, as soon as the traffic volumes between any two switches or Routing Points reaches a total volume equivalent to 512 CCS in the busy hour per month for a period of two consecutive months. However, the Parties may choose not to establish these trunks only by mutual agreement.

O Interconnection Trunk Servicing

Orders to and from the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request ("ASR") using an electronic ordering interface, when available, as the means of transmitting such orders. The Parties agree to cooperate in the establishment of an electronic interface to exchange orders.

Orders that comprise a major project shall be submitted at the same time, and their implementation shall be jointly planned and coordinated. In this context, major projects are those that require the coordination and execution of multiple orders or related activities between and among the Parties' work groups, including but not limited to the initial establishment of interconnection trunk groups and service in an area, NXX code moves, re-homes, facility grooming, or network rearrangements.

P Network Management

- 1 **Protective Controls.** Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward each other's network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. The Parties will immediately notify each other of any protective control action planned or executed.

- 2 **Expansive Controls.** Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when mutually agreed to by the Parties.

- 3 **Mass Calling.** The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

- 4 **High Volume Calling Trunk Groups.** TCG and USWC shall cooperate to establish separate trunk groups for the completion of calls to high volume customers such as radio station contest lines.

Q Tariffed Services.

Either Party may opt at any time to terminate to the other Party some or all of its traffic via any tariffed service offered by the other Party (within the terms of the other Party's tariff), or any service governed by a contract (within the terms of the contract) between the two Parties. Any such rearrangements resulting from such election shall require appropriate notification to the other Party, joint planning, forecasting and project management.

R End User Repair Calls

The Parties will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus. In the case of misdirected repair calls, neither Party shall make disparaging remarks about the other Party, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services, nor shall they initiate any extraneous communications, beyond the direct referral (if any) to the correct repair telephone number. Either Party may respond with correct information in answering customer

questions. The Parties will provide their respective repair contact numbers to one another on a reciprocal basis.

S Referral Services

When an end user customer changes from USWC to TCG, or from TCG to USWC, and does not retain its original telephone number, and the end user customer (or the customer's new provider on behalf of the customer) requests provision of a referral announcement, the Party formerly providing service to the end user will provide a referral announcement on the abandoned telephone number. This announcement will provide the new number to be dialed to reach this customer. This announcement will be provided for the standard period and on the terms specified in each Party's exchange service tariff in effect as of the date this Agreement is executed.

II. **NONDISCRIMINATORY ACCESS TO NETWORK ELEMENTS**

NOT AGREED

A Links

NOT AGREED

B Transport

NOT AGREED

C Ports/Local Switching

NOT AGREED

D Cross Connects

NOT AGREED

E Multiplexing

NOT AGREED

F Nondiscriminatory Access to Databases and Associated Signaling

NOT AGREED

G Forecasts for Certain Unbundled Network Elements.

NOT AGREED

H Bona Fide Request Process.

NOT AGREED

III. NONDISCRIMINATORY ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS OF WAY

NOT AGREED

IV. EMERGENCY SERVICES, DIRECTORY ASSISTANCE AND OPERATOR CALL COMPLETION SERVICES (E9-1-1, 0-)

A Emergency Services.

1. Each Party will cooperate to ensure the seamless operation of emergency call networks, including E9-1-1 and 0- emergency calls.
2. Except as otherwise specified in this Agreement, USWC will provide any of the services discussed in this Section in accordance with the rates, terms and conditions of its tariffs.
3. USWC will permit TCG to interconnect to the USWC E9-1-1 tandems which serve the areas in which TCG provides exchange services so that TCG's customers may place calls to Public Safety Answering Points ("PSAPs") by dialing 911.
4. TCG and USWC will work cooperatively, including where necessary, meeting with PSAP operators and/or state, county and municipal government officials, to explain TCG's interconnection with the Public Safety emergency network.
5. USWC will not use information obtained from TCG in connection with establishing and maintaining the E9-1-1 databases for any purpose not directly associated with the operation of the Public Safety emergency network.

- 6 USWC, as operator of the Automatic Location Identifier ("ALI") database will maintain processes and procedures to receive and process TCG customer information within two business days. USWC will maintain an electronic interface process to permit TCG to electronically update the ALI database with TCG subscriber information at no charge. The Parties further agree to work in industry fora, such as the National Emergency Numbering Association ("NENA"), to establish an industry standard format for transfer of E-9-1-1 customer records.
- 7 USWC will provide to TCG, at no charge, copies of the current Master Street Address Guides ("MSAGs"), on magnetic tape or diskette, for the counties in which TCG provides Exchange Service, whenever USWC receives an update to the MSAGs. Both Parties agree to work with the MSAG administrator to obtain online read-only access to the MSAGs as soon as possible.
- 8 Upon approval of its requested modification to the nonpublished number section of its exchange service tariff, USWC will provide TCG with the ten-digit subscriber number for each PSAP which sub-tends each USWC E9-1-1 tandem to which TCG is interconnected so that TCG or its Operator Services contractor may transfer 0- calls to the PSAP. This information will be provided to TCG within ten days of the approval of the modification to USWC's tariff. TCG agrees to hold this information in confidence and will use the information solely for the purpose of routing 0- calls from the TCG Operator Services platform to the PSAPs. In addition, USWC agrees to provide TCG with updates to this information in the same time frame and manner in which that information is provided to USWC's Operator Services work centers.
- 9 USWC agrees to provide to TCG, at no charge, Selective Router Tandem Location maps which define the boundaries served by all controllers/tandems in the areas where TCG provides Exchange Service. USWC will provide updated maps if and when the maps are changed.

B Directory Assistance Listings and White Pages

- 1 Competitive Local Exchange Carrier Listings Service ("Listings") consists of USWC placing the names, addresses and telephone numbers of TCG's end users in USWC's listing database, based on end user information provided to USWC by TCG. USWC is authorized to use Listings in Directory Assistance and as noted below.

- 2 TCG will provide in standard, mechanized format, and USWC will accept at no charge, one primary listing for each main telephone number belonging to TCG's end user customers. Primary listings are as defined for USWC end users in USWC's general exchange tariffs. TCG will be charged for premium listings, (including, but not limited to, additional, foreign, cross reference, and informational listings) and privacy listings (including non-published, non-list, and no solicitation) at USWC's general exchange listing tariff rates, less applicable wholesale discounts. However, there shall be no explicit charge to TCG associated with the process of delivering Listings information. When utilizing Remote Call Forwarding for local number portability, TCG can list only one number without charge - either the end customer's original telephone number or the TCG-assigned number.
- 3 USWC will furnish TCG the Listings format specifications. USWC cannot accept Listings with advance completion dates. Large volume activity (e.g., 100 or more listings) on a caption set is considered a project that requires coordination between TCG and USWC. USWC will process all Listings data received from TCG with the same frequency applicable to USWC's processing of its own database information.
- 4 TCG grants USWC a non-exclusive license to incorporate Listings information into USWC's directory assistance database. USWC may use TCG's Listings and disseminate TCG's Listings to third parties in the following manner:
 - a Treat the same as USWC's end user listings - No prior authorization is needed for USWC to release Listings to directory publishers or other third parties. USWC will incorporate Listings information in all existing and future directory assistance applications developed by USWC. TCG authorizes USWC to sell and otherwise make Listings available to directory publishers. USWC shall be entitled to retain revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

Upon 60 days notice to USWC, TCG may select to change to the following method for USWC's use of TCG's Listings and dissemination of TCG's Listings to third parties

- b Restrict to USWC's directory assistance -- Prior authorization required by TCG for all other uses. TCG makes its own, separate agreements with USWC, third parties and directory publishers for

all uses of its Listings beyond DA. USWC will provide Listings to directory publishers (including USWC's publisher affiliate), other third parties and USWC products only after the third party presents proof of TCG's authorization. USWC shall be entitled to charge its tariffed rates associated with any such transaction, but the Parties agree to negotiate a division of these revenues in the future. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

- 5 USWC will make available to TCG and its end user customers any specific directory listing options, including, but not limited to, privacy protections, that are available to USWC's own customers. All such options will be made available through the electronic data exchange process used by TCG for Listings.
- 6 To the extent that state tariffs limit USWC's liability with regard to Listings, the applicable state tariff(s) is incorporated herein and supersedes the "Limitation of Liability" Section of this Agreement with respect to Listings only.
- 7 USWC Responsibilities
 - a USWC is responsible for maintaining Listings, including entering, changing, correcting, rearranging and removing Listings in accordance with TCG orders. USWC will make commercially reasonable efforts to ensure Listings information provided to USWC is properly processed by USWC in an accurate and correct manner and agrees to hold TCG harmless for any errors in Listings information processed by USWC. USWC will accommodate non-published and non-listed Listings in the same manner that USWC accommodates its own customers' information, provided that TCG has supplied USWC the necessary privacy indicators on such Listings.
 - b USWC will include TCG Listings in USWC's Directory Assistance service to ensure that callers to USWC's Directory Assistance service have non-discriminatory access to TCG's Listings.
 - c USWC will incorporate TCG Listings provided to USWC in the white pages directory published on USWC's behalf. TCG's end user customer listings will be commingled with the end user customer listings of USWC.

8 TCG Responsibilities

- a TCG will make commercially reasonable efforts to ensure Listings information provided to USWC is accurate and correct and agrees to hold USWC harmless for any errors in Listings information provided to USWC. TCG shall be solely responsible for knowing and adhering to state laws or rulings regarding Listings and for supplying USWC with the applicable Listings information
- b TCG is responsible for all dealings with, and on behalf of, TCG's end users, including:
 - (1) All end user account activity, e.g. end user queries and complaints.
 - (2) All account maintenance activity, e.g., additions, changes, issuance of orders for Listings to USWC
 - (3) Determining privacy requirements and accurately coding the privacy indicators for TCG's end user information. If end user information provided by TCG to USWC does not contain a privacy indicator, no privacy restrictions will apply

9 USWC will accord TCG's directory listings information the same level of confidentiality which USWC accords its own directory listing information

10. USWC shall ensure that access to TCG's customer directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing or publishing of listings, directory publication or directory delivery, or in ensuring the accuracy of such information.

11. USWC will not use TCG directory listings for the marketing of telecommunications services by its own employees or those of its telephone operations line of business.

12. USWC agrees to provide TCG's non-published directory records the same protection accorded USWC's non-published directory records with respect to the sale of directory listings to third parties

- 13 The Parties agree USWC will maintain in its processes the ability for TCG to ensure the formatting accuracy of the information it transmits to USWC for inclusion in the Directory Assistance database. Listing format errors will be returned to TCG for correction and a total count of listings received and accepted will also be provided. The Parties will work cooperatively through OBF or other industry groups to further define standards for transmittal of directory listing information.

C Operator Call Completion.

- 1 The Parties will complete operator-assisted calls to each other's networks.
- 2 Additionally, at TCG's request, in conjunction with the provision of unbranded directory assistance service, USWC will provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service USWC makes available to its own end users.

V. **CUSTOMER GUIDE IN WHITE PAGES/BILLING FOR ADVERTISING**

NOT AGREED (DISCUSSIONS STILL PENDING)

VI. **NONDISCRIMINATORY ACCESS TO NUMBER RESOURCES**

- A Each Party will comply with Industry Carriers Compatibility Forum ("ICCF") Central Office Code Guidelines.
- B Unless the FCC adopts rules in accordance with TA 1996 that differ from the ICCF Central Office Code Administration Guidelines, USWC, where it functions as Number Administrator, will assign NXX codes to TCG, according to those Guidelines, on a basis no less favorable than that on which USWC assigns codes to itself or to any other entity. So long as USWC acts as the Number Administrator, the Parties agree that these Number Administrator functions will be provided without charge.
- C It shall be the responsibility of each Party to program and update its own switches and network systems to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither USWC nor TCG shall charge each other for changes to switch routing software necessitated by the creation, assignment or reassignment or activation of NPA or NXX codes.

- D The Parties will each be responsible for the electronic input of their respective number assignment information into the LERG.
- E Each Party shall be responsible, consistent with its existing practices and any regulatory requirements, for notifying its customers of any changes in numbering or dialing arrangements, including changes such as the introduction of new NPAs or new NXX codes.

VII. NUMBER PORTABILITY

A Interim Number Portability

- 1 TCG and USWC shall provide remote call forwarding functionality, or other INP capabilities, to each other at no charge, in accordance with the provisions of the FCC's First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116 ("FCC Number Portability Order").
- 2 The costs incurred by TCG and USWC of providing INP shall be recovered through a broad-based cost recovery mechanism, as described in the FCC Number Portability Order. The Parties will work together in encouraging state commissions to establish such a mechanism.
- 3 With regard to the division of Switched Access revenues associated with INP, each Party will bill Switched Access charges for its portion of the call. If the terminating Party is unable to identify the particular IXC carrying the forwarded call, the forwarding Party shall provide the necessary information to permit the terminating Party to issue a bill.

[USWC contends that the state commission should assert jurisdiction over INP and should set a cost-based rate for the provision of INP. TCG contends that the FCC Number Portability Order should be applied to an arbitrated agreement. TCG and USWC agree that if the FCC Number Portability Order is followed in the arbitration, the language set forth above should be used.]

B Permanent Number Portability.

- 1 Unless otherwise determined by the FCC, the Parties will offer PNP to each other in the service territory in which both Parties offer Exchange Service as soon as technically and operationally feasible. The Parties will complete the transition to PNP in such areas on or before the dates set

forth in the FCC's Number Portability Order or any modifications to those
Jates

- 2 Both Parties will urge the FCC to require that any necessary central databases and other shared facilities should be owned and operated by a neutral third party.
- 3 The Parties agree that Query on Release ("QOR"), in conjunction with location routing number data for SPNP routing, may be implemented within their networks, at each Party's option and consistent with the FCC Number Portability Order, provided that QOR does not materially delay the implementation of PNP beyond the date that an FCC-approved database architecture for PNP is available. If both Parties choose to implement QOR, then the Parties will exchange, at no charge, any signaling messages required to enable QOR functionality between each other's networks.

VIII. LOCAL DIALING PARITY

- A The Parties agree that they will provide local dialing parity to each other and will permit each other to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings, with no unreasonable dialing delays. In addition, USWC agrees that it will provide nondiscriminatory access to such services or information as is necessary to allow TCG to implement local dialing parity in accordance with the requirements of Section 251(b)(3) of TA 1996.
- B For Local Exchange and IntraLATA Toll Traffic between the Parties, neither Party's end user customers shall be required to dial any access codes or other special or extra digits to reach the end user customers of the other Party.

IX. RECIPROCAL COMPENSATION ARRANGEMENTS

NOT AGREED

X. TELECOMMUNICATIONS SERVICES AVAILABLE FOR RESALE

NOT AGREED

XI. COLLOCATION AND MID SPAN MEETS

A Physical Collocation.

NOT AGREED

B Shared Space Collocation

NOT AGREED

C Microwave Collocation

NOT AGREED

D POT Bay Engineering

NOT AGREED

E Virtual Collocation.

NOT AGREED

F Mid-Span Meet Arrangements

NOT AGREED

XII. JOINT PROVISION OF WSP ACCESS

NOT AGREED

XIII. MEET POINT BILLING ARRANGEMENTS

NOT AGREED

XIV. LOCAL INTERCONNECTION DATA EXCHANGE FOR BILLING

There are certain types of calls or types of interconnection that require exchange of billing records between the Parties, including, for example, alternate billed and Toll Free Service calls. The Parties agree that all call types must be routed between the networks, accounted for, and settled among the parties. Certain calls will be handled via the Parties' respective operator service platforms. The Parties agree to utilize, where possible and

appropriate, existing accounting and settlement systems to bill, exchange records and settle revenue

- A The exchange of billing records for alternate billed calls (e.g., calling card, bill-to-third, and collect) will be distributed through the existing CMDS processes, unless otherwise separately agreed to by the Parties
- B Inter-Company Settlements ("ICS") revenues will be settled through the Calling Card and Third Number Settlement System ("CATS") Each Party will provide for its own arrangements for participation in the CATS processes, through direct participation or a hosting arrangement with a direct participant
- C Non-ICS revenue is defined as collect calls, calling card calls, and billed to third number calls which originate on one service provider's network and terminate on another service provider's network in the same Local Access Transport Area ("LATA") The Parties agree to negotiate and execute an Agreement within 30 days of the execution of this Agreement for settlement of non-ICS revenue This separate arrangement is necessary since existing CATS processes do not permit the use of CATS for non-ICS revenue The Parties agree that the CMDS system can be used to transport the call records for this traffic
- D Both Parties will provide the appropriate call records to the intraLATA Toll Free Service Provider, thus permitting the Service Provider to bill its subscribers for the inbound Toll Free Service No adjustments to bills via tapes, disks or NDM will be made without the mutual agreement of the Parties

XV. AUDIT PROCESS

"Audit" shall mean the comprehensive review of

- A data used in the billing process for services performed and facilities provided under this Agreement, and
- B data relevant to provisioning and maintenance for services performed or facilities provided by either of the Parties for itself or others that are similar to the services performed or facilities provided under this Agreement for interconnection or access to unbundled elements

The data referred to in subsection (B), above, shall be relevant to any performance standards that are adopted in connection with this Agreement, through negotiation, arbitration or otherwise

This Audit shall take place under the following conditions

- A Either Party may request to perform an Audit
- B The Audit shall occur upon 10 business days written notice by the requesting Party to the non-requesting Party.
- C The Audit shall occur during normal business hours
- D There shall be no more than one Audit requested by each Party under this Agreement in any 12-month period
- E The requesting Party may review the non-requesting Party's records, books and documents, as may reasonably contain information relevant to the operation of this Agreement
- F The location of the Audit shall be the location where the requested records, books and documents are retained in the normal course of business
- G All transactions under this Agreement which are over 24 months old will be considered accepted and no longer subject to Audit
- H Each Party shall bear its own expenses occasioned by the Audit, provided that the expense of any special data collection shall be born by the requesting Party
- I The Party requesting the Audit may request that an Audit be conducted by a mutually agreed-to independent auditor Under this circumstance, the costs of the independent auditor shall be paid for by the Party requesting the Audit
- J In the event that the non-requesting Party requests that the Audit be performed by an independent auditor, the Parties shall mutually agree to the selection of the independent auditor Under this circumstance, the costs of the independent auditor shall be shared equally by the Parties
- K The Parties agree that if an Audit discloses error(s), the Party responsible for the error(s) shall, in a timely manner, undertake corrective action for such error(s)
- L All information received or reviewed by the requesting Party or the independent auditor in connection with the Audit is to be considered Proprietary Information as defined by this Agreement. The non-requesting Party reserves the right to require any non-employee who is involved directly or indirectly in any Audit or the

resolution of its findings as described above to execute a nondisclosure agreement satisfactory to the non-requesting Party

XVI. AUDIOTEXT AND MASS ANNOUNCEMENT SERVICES

The Parties agree that access to the audiotext, mass announcement and information services of each Party should be made available to the other Party upon execution of an agreement defining terms for billing and compensation of such calls. Services included in this category include 976 calls, whether flat rated or usage sensitive, intra-LATA 900 services and other intra-LATA 976-like services. Such calls will be routed over the Local Interconnection Trunks.

TCG and USWC will work together in good faith to negotiate and execute the agreement for billing and compensation for these services within 90 days of the execution of this Agreement. The Parties agree that their separate agreement on audiotext and mass announcement services will include details concerning the creation, exchange and rating of records, all of which will occur without any explicit charge between the Parties, as well as a process for the handling of uncollectibles so that the originating Party does not have any responsibility for uncollectibles.

Until such time that such an agreement is executed, TCG may choose to block such calls, or TCG will agree to back-bill and compensate retroactively for such calls once the subsequent agreement is executed retroactive to the effective date of this Agreement.

A Usage Sensitive Compensation

All audiotext and mass announcement calls shall be considered toll calls for purposes of reciprocal compensation between the Parties. Compensation will be paid based on the compensation for toll calls referenced in this Agreement with respect to reciprocal compensation between the Parties, except that such compensation shall be paid by the Party terminating the call, rather than the Party originating the call.

B Billing and Collection Compensation

Billing and collection compensation will be dealt with in the agreement referenced in this section.

XVII. MOST FAVORABLE TERMS AND TREATMENT

NOT AGREED

XVIII. DISPUTE RESOLUTION AND BINDING ARBITRATION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, the Parties shall first confer to discuss the dispute and seek resolution prior to initiating any dispute resolution action, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each Party. In the case of USWC, its Vice President for InterConnect, or equivalent officer, shall participate in the meet and confer meeting, and TCG Regional Vice President, Western Region, or equivalent officer, shall participate. In the event the Parties cannot resolve the dispute, they will employ the following procedure.

A Any controversy or claims arising out of or relating to Agreement or any breach hereof, shall be settled by arbitration in accord with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Such arbitration shall be held in the State where the dispute arises or any other location to which the Parties agree. Written notice of intent to arbitrate shall be served on the opposing Party at least twenty (20) business days prior to the filing of such notice at the appropriate AAA regional office.

B The Parties agree to request an expedited hearing before the AAA and, if the AAA can arrange such, the hearing shall commence within sixty (60) days of the filing of the arbitration claim. If the AAA is not able to arrange for the hearing to be held within sixty (60) days of such filing, then the hearing shall commence on the AAA's first available date thereafter, but within ninety (90) days of the original filing of the arbitration claim.

C **TCG proposed language for (C):**

The AAA panel shall award costs, including reasonable attorneys' fees, to the successful Party at the conclusion of the hearing. Should any Party refuse to arbitrate controversies or claims as required by this Agreement, or delays the course of arbitration proceedings beyond the times set, or permitted by the AAA panel, then such Party shall pay all costs, including reasonable attorneys' fees, of the other Party, incurred with respect to the entire arbitration and/or litigation process, even though such refusing or delaying Party may ultimately be the successful Party in the arbitration and/or litigation.

USWC proposed language for (C):

Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator

- D The judgment upon the award rendered may be entered in the highest Court of the forum capable of rendering such judgment, either State or Federal, having jurisdiction and shall be deemed final and binding on both of the Parties.

[The above language for Section XVIII is acceptable to both parties, except for the differences in subsection (C). In addition, USWC requests that the arbitrator not be allowed to award punitive damages. TCG requests that this Section remain silent on punitive damages.]

XIX. FORCE MAJEURE

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body, strikes, or delays caused by the other Party or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with) The affected Party shall act in good faith to avoid or remove the cause of non-performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

XX. COMMISSION DECISION

This Agreement shall at all times be subject to such review by the Commission or FCC as permitted by TA 1996. If any such review renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement.

XXI. TERM OF AGREEMENT

This Agreement shall be effective for a period of ____ years, and thereafter the Agreement shall continue in force and effect unless and until a new agreement, addressing all of the terms of this Agreement, becomes effective between the Parties. The Parties

agree to commence negotiations on a new agreement no less than six (6) months before the end of _____ years after this Agreement becomes effective.

[USWC wants the agreement to be for two years; TCG wants the agreement to be for three years.]

XXII. EFFECTIVE DATE

This Agreement shall become effective upon approval by the Commission

XXIII. AMENDMENT OF AGREEMENT

TCG and USWC may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement.

XXIV. LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, special damages, including (without limitation) damages for lost profits, regardless of the form of action, whether in contract, indemnity, warranty, strict liability, or tort.

[The above language is acceptable to both parties. USWC also requests that the section refer to punitive damages. TCG requests that this section remain silent on punitive damages.]

XXV. INDEMNITY

NOT AGREED

XXVI. ASSIGNMENT

NOT AGREED

XXVII. CONTROLLING LAW

This Agreement was negotiated by the Parties in accordance with the terms of TA 1996 and the laws of each of the states where service is provided hereunder. It shall be

interpreted solely in accordance with the terms of TA 1996 and the applicable state law in the state where the service is provided.

XXVIII. DEFAULT

If either Party believes the other is in breach of the Agreement or otherwise in violation of law, it shall first give sixty (60) days' notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, the Parties shall employ the Dispute Resolution and Arbitration procedures set forth in this Agreement.

XXIX. NONDISCLOSURE

- A All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication of directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information.
- B Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
- C Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only in connection with this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- D Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as

1. was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party, or
2. is or becomes publicly known through no wrongful act of the receiving Party; or
3. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
4. is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
5. is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or
6. is approved for release by written authorization of the disclosing Party, or
7. is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

E. **Effective Date Of This Section.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement

XXX. EXECUTION IN DUPLICATE

This Agreement may be executed in duplicate copies, and, upon said execution, shall be treated as an executed document.

XXXI. NOTICES

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below

USWC

Mark Reynolds, Director Interconnection Services
1600 7th Ave. Room 3002
Seattle, WA 98191

TCG

Jim Washington, Western Region Vice President
Michael Morris, Vice President, Regulatory and External Affairs
201 North Civic Drive, Suite 210
Walnut Creek, California 94596

Each Party shall inform the other of any changes in the above addresses