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February 10, 2004

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*Records
Public Service Commission*

VIA UPS

Dale Hardy Roberts
Missouri Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102-0360

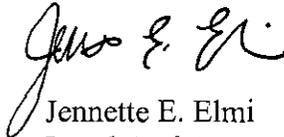
Re: Amendment to Missouri M2A Interconnection Agreement by and between Southwestern Bell Telephone, L.P. and Z-Tel Communications, Inc.

Dear Mr. Roberts:

Enclosed please find for filing with the Missouri Public Service Commission, an original and three copies of an amendment to the Missouri M2A Interconnection Agreement by and between Southwestern Bell Telephone, L.P. and Z-Tel Communications, Inc.. Please date-stamp the duplicate copy of this filing and return in the postage pre-paid envelope provided.

Thank you for your assistance in this matter and please call if you have any questions.

Sincerely,


Jennette E. Elmi
Legal Assistant

Enclosures

**AMENDMENT TO
MISSOURI M2A INTERCONNECTION AGREEMENT
BY AND BETWEEN
SOUTHWESTERN BELL TELEPHONE, L.P. d/b/a SBC MISSOURI
AND
Z-TEL COMMUNICATIONS, INC.**

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Public Service Commission*

The M2A Interconnection Agreement ("the Agreement") by and between Southwestern Bell Telephone, L.P.¹ ("SBC Missouri") and Z-Tel Communications, Inc. ("CLEC") is hereby amended as follows:

(1) Appendix Pricing -UNE has been replaced with the Negotiated Appendix Pricing-UNE and is attached hereto in its entirety and incorporated herein by this reference.

(2) Attachment 12: Compensation has been replaced with Negotiated Attachment 12 Compensation and is attached hereto in its entirety and incorporated herein by this reference.

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

(4) This underlying Agreement is the result of CLEC's decision to opt into the M2A or parts thereof pursuant to Missouri Public Service Commission Order in Case No. TO-99-227 (dated March 6, 2001). This Amendment to such Agreement addresses certain specific language changes thereto as agreed by SBC Missouri and CLEC ("Agreed Changes"). The Parties acknowledge and agree that (i) all aspects of this Agreement except for the Agreed Changes (and any other voluntarily negotiated changes contained in a separate amendment to the Agreement, if any "Other Agreed Changes") were made available to CLEC only as a result of CLEC's decision to opt into the M2A or parts thereof pursuant to Missouri Public Service Commission Order in Case No. TO-99-227; and (ii) therefore, no aspect of this Agreement other than the Agreed Changes set forth in this Amendment or any Other Agreed Changes qualify for portability into Illinois or any other state under 220 ILCS 5/13-801(b) ("Illinois Law"), Condition 27 of the Merger Order issued by the Illinois Commerce Commission in Docket No. 98-0555 ("Condition 27") or any other state or federal statute, regulation, order or legal obligation (collectively "Law"). The Parties further acknowledge and agree that the Agreed Changes and any Other Agreed Changes shall only be considered portable under the Illinois Law, Condition 27 or any other Law if they otherwise qualify for portability under such Illinois Law, Condition 27 or other Law, if any.

In accepting this amendment request, the Parties acknowledge and agree that neither Party is waiving, and each Party hereby expressly reserves, any of its rights, remedies or arguments it may have at law or under the intervening law or regulatory change provisions in the underlying Agreement with respect to any orders, decisions, legislation or proceedings and any remands thereof, including but not limited to its rights which the Parties have not yet fully incorporated into this Agreement or which may be the subject of further government review under the United States Supreme Court's opinion in *Verizon v. FCC, et al*, 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) ("USTA decision"); the FCC's Triennial Review Order, released on August 21, 2003, on remand from the USTA decision and pursuant to the FCC's Notice of Proposed Rulemaking, *Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (FCC 01-361) (rel. Dec. 20, 2001); the FCC's Order *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 1760 (FCC 99-370) (rel. Nov. 24, 1999), including its Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001) ("ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002); or the Public Utilities Act of Illinois, which was

¹ On December 30, 2001, Southwestern Bell Telephone Company (a Missouri corporation) was merged with and into Southwestern Bell Texas, Inc. (a Texas corporation) and, pursuant to Texas law, was converted to Southwestern Bell Telephone, L.P., a Texas limited partnership, doing business in Missouri as SBC Missouri.

amended on May 9, 2003 to add Sections 13-408 and 13-409, 220 ILCS 5/13-408 and 13-409, and enacted into law ("Illinois Law"). Rather, in accepting this adoption request, each Party fully reserves all of its rights, remedies and arguments with respect to any decisions, orders, legislation or proceedings and the Illinois Law, including but not limited to its right to dispute whether any UNEs and/or UNE combinations identified in the MFN Agreement must be provided under Sections 251(c)(3) and 251(d) of the Act, and under this MFN Agreement. Notwithstanding anything to the contrary in this MFN Agreement and in addition to fully reserving its other rights, SBC Missouri reserves its right, to the extent SBC Missouri has not already invoked the FCC ISP terminating compensation in Missouri and incorporated the rates, terms and conditions of such plan into this MFN Agreement, to exercise its option at any time to adopt on a date specified by SBC Missouri the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions, and seek conforming modifications to this MFN Agreement.

(5) EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

(6) This Amendment shall be filed with and is subject to approval by the Public Utility Commission and shall become effective ten (10) days following approval by such Commission.

IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this 27 day of Jan, 2004, by Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

Z-Tel Communications, Inc.

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

By: [Signature]

By: [Signature]

Name: Bon Walters
(Print or Type)

Name: Mike Auinbaub
(Print or Type)

Title: Vice President - Industry Policy
(Print or Type)

Title: ^{For} President - Industry Markets

Date: Jan. 13, 2004

Date: JAN 27 2004

FACILITIES-BASED OCN # 0326

ACNA ELZ

APPENDIX PRICING - UNE**1.0 Application of Prices**

- 1.1 Z-TelZ-TEL agrees to compensate SWBT for unbundled Network elements at the rates contained in this Appendix Pricing UNE-Schedule of Pricing and Exhibit 1. Unbundled Network Elements are available from SWBT on a per unbundled Network Element basis or in combinations of elements at prices as contained in this Appendix Pricing UNE-Schedule of Pricing.
- 1.2 Remittance in full will be due within forty-five (45) days of receipt of invoice. Unless otherwise stated, SWBT will render a monthly bill for Network Elements provided hereunder. In accordance with section 8.1 of the General Terms and Conditions, interest will apply on overdue amounts. When both parties agree that an operations failure results in incorrect billing and such charges can be delineated from correct charges, Z-Tel will not have to pay nor escrow amounts for such charges deemed erroneous by both parties.
- 1.3 The attached Schedule of Prices sets forth the prices that SWBT will charge Z-TEL for unbundled Network Elements and certain other items (e.g. Compensation Rates, Hosting Charges, E911 Charges).
- 1.4 Except for requests that are expressly made subject to the Special Request process described in Section 2.22 of Attachment 6 ("Special Request Elements"), Z-TEL may order, and SWBT will provide, all Attachment 6 Elements on the basis of the attached Schedule of Prices. The Parties agree that the Appendix Pricing UNE - Schedule of Prices contains a complete list of rate elements and charges associated with unbundled Network Elements and other items, if any, offered by SWBT pursuant to this Attachment. This paragraph does not limit or expand the use of the Special Request Process.
- 1.5 This Section Intentionally Left Blank.
- 1.5.1 Zone 1 includes Rate Group D as defined in SWBT's Local Exchange Tariff. Zone 2 includes Rate Group B as defined in SWBT's Local Exchange Tariff. Zone 3 includes Rate Group A as defined in SWBT's Local Exchange Tariff. Zone 4 includes Rate Group C as defined in SWBT's Local Exchange Tariff.

2.0 Recurring Charges

- 2.1 Recurring Charges, where applicable, are as shown in Appendix-Pricing-UNE.
- 2.2 Where Rates are shown as monthly, a month will be defined as a calendar month. The minimum term for each monthly rated element will be one (1) month. After the initial month, billing will be on the basis of whole or fractional months used.

- 2.3 Where rates will be based on minutes of use, usage will be accumulated at the end office and are rounded to the next higher minute per monthly billing cycle. Z-TEL.
- 2.4 Where rates are based on miles, the mileage will be calculated on the airline distance involved between the locations. To determine the rate to be billed, SWBT will first compute the mileage using the V&H coordinates method, as set forth in the National Exchange Carrier Association, Inc. Tariff F.C.C. No 4. When the calculation results in a fraction of a mile, SWBT will round up to the next whole unit before determining the mileage and applying rates.

3.0 Non-Recurring Charges

- 3.1 Non-recurring charges for unbundled Network Elements are included on Appendix Pricing UNE - Schedule of Prices.
- 3.2 When Z-Tel issues service orders, Z-Tel will pay the applicable service order charges contained in Appendix Pricing UNE-Schedule of Prices labeled "Service Order Charges-Unbundled Element.
- 3.3 Z-TELZ-TEL In addition to the charges for the service order types listed in Appendix Pricing UNE – Section 3.5, Z-Tel will pay whenever Z-Tel issues a service order that effects the connectivity of the loop and port or change in associated telephone number on the port as it currently exists in the switch, Z-TEL, a "Central Office Access Charge " (COAC) as contained in Appendix Pricing UNE.
- 3.4 When an existing Z-TelZ-TEL customer presubscribes to an interLATA or intraLATA carrier, a simple service order charge will apply.

3.5 Service Orders

NEW – This will apply when a first time customer or an end user customer of any local service provider, including SWBT, initiates service with Z-Tel and Z-Tel elects to serve the customer using unbundled Network elements. This also applies to Conversion as Specified and New Connect orders.

CHANGE – This will apply when a Z-Tel customer's existing service is being physically or logically altered in some way.

RECORD – Z-Tel issues an LSR to change their UNE records, i.e., the billing address.

DISCONNECT – Z-Tel issues an LSR to discontinue the UNE.

SUSPEND – Z-Tel issues an order to suspend a functionality until further notice.

RESTORE – Z-Tel issues an order to restore previously suspended functionality

- 3.5.1 Appendix Pricing UNE – Schedule of Prices lists a price for service orders. This price will be applied pursuant to the award in Case No. TO-98-115.
- 3.5.1.1. Appendix Pricing UNE – Schedule of Prices lists a “Simple” and “Complex” price for each Service Order type. Those prices will be applied in accordance with the definitions of Simple and Complex Service Orders set forth below.
- 3.5.1.2 Simple and complex Service Orders: If Z-Tel is using OSS or EDI when an order of Z-Tel or a comparable order of SWBT can be handled by either SWBT or Z-Tel using either OSS or EDI on an electronic flow-through basis, the order is simple. All other orders are complex.
- 3.5.2 A manual service order is any order that is not delivered to SWBT via an OSS interface. The manual service order charge (e.g. a faxed order) will apply when an OSS interface is not utilized in processing a service order. The mechanized order charge will apply for orders sent to SWBT utilizing an OSS interface.

4.0 Maintenance of Service, Time and Materials, and NonProductive Dispatch Charges

- 4.1 If Z-TelZ-TEL requests or approves a SWBT technician to perform special installation, maintenance, or conversion services for Unbundled Network Elements excluding services which SWBT is required to provide under Attachment 6, Attachment 8, or otherwise under this Agreement, Z-TelZ-TEL will pay Maintenance of Service and/or Time and Material Charges for such services as are reasonably required, including requests for installation or conversion outside of normally scheduled working hours.
- 4.2 Consistent with Attachment 8 Maintenance UNE, if Z-TelZ-TEL determines that trouble has occurred in SWBT's equipment and/or facilities, Z-TelZ-TEL will issue a trouble report to SWBT.
- 4.3 Z-TelZ-TEL will pay Maintenance of Service charges for technicians' time reasonably required when Z-TEL reports a suspected failure of a network element and SWBT dispatches personnel to the end user's premises or a SWBT central office and trouble was not caused by SWBT's facilities or equipment. Maintenance of Service charges will include all technicians dispatched, including technicians dispatched to other locations for purposes of testing.
- 4.4 Z-TEL will pay Maintenance of Service charges for technicians' time reasonably required when Z-TEL reports a suspected failure of a network element and SWBT dispatches personnel and the trouble is in equipment or communications systems provided by an entity other than SWBT or in detariffed CPE provided by SWBT, unless covered under a separate maintenance agreement.

- 4.5 If Z-TEL issues a trouble report allowing SWBT access to the end user's premises and SWBT personnel are dispatched but denied access to the premises, then Non Productive Dispatch charges for technicians' time reasonably required will apply. Subsequently, if SWBT personnel are allowed access to the premises, the NonProductive Dispatch charges will still apply.
- 4.6 Time and Materials and/or Maintenance of Service and/or NonProductive Dispatch charges apply on a first and additional basis for each half hour or fraction thereof, except where the Schedule of Prices provides for per dispatch charges. If more than one technician is dispatched in conjunction with the same trouble report, the total time for all technicians dispatched will be aggregated prior to the distribution of time between the "First Half Hour or Fraction Thereof": and "Each Additional Half Hour or Fraction Thereof" rate categories. Basic Time is considered to be Monday through Friday 8 a.m. to 5 p.m. which is SWBT's normally scheduled work day. SWBT's normally scheduled work week is Monday through Saturday. Overtime applies when work is out of a normally scheduled work day during a normally scheduled work week (i.e., weekday nights and/or Saturdays). Premium time is time worked outside of SWBT's normally scheduled work week and includes Sundays and Holidays. Any time not consecutive with SWBT's normally scheduled work day may be subject to a minimum charge of two hours if dispatch of an off duty SWBT employee is necessary.
- 4.7 SWBT will bill Z-TEL Time and Materials, NonProductive Dispatch and/or Maintenance of Service Charges only pursuant to Z-TEL's authorization, including authorizing a dispatch, consistent with procedures outlined in this Agreement.
- 4.8 SWBT will manage costs of Time and Materials, NonProductive Dispatch and Maintenance of Service Charges activities charged to Z-TEL in a manner that is consistent with SWBT's internal management of those costs.
- 4.9 Charges for services contained in this section are listed in Appendix Pricing UNE - Schedule of Prices labeled "Maintenance of Service Charges", "Time and Materials Charges", and "Non Productive Dispatch Charges".
- 5.0 Application of Usage Sensitive Charges To Particular Call Flows**
- 5.1 This Section Intentionally Left Blank.
- 5.1.1 Unbundled Local Switching (ULS) may include two usage sensitive components: originating usage (ULS-O) and terminating usage (ULS-T). ULS-O represents the use of the unbundled Local Switching element to originate local calls. ULS-T represents the use of the unbundled Local Switching element to terminate local calls.

5.2 Standard Rate Structure for ULS for Intra Switch calls

5.2.1 Intra Switch Calls - (calls originating and terminating in the same switch (i.e., the same 11 digit Common Language Location Identifier (CLLI) end office) or a Host/Remote configuration).

5.2.1.1 Z-TEL originating end user's line will generate a ULS-O and SS7 signaling charge for a centrex-like Z-TEL ULS intercom call in which Z-Tel's end users ddials from one centrex-like station to another centrex-like station in the same common block defined system on an Intra Switch Call. SWBT will not bill ULS-T for Intra Switch Calls.

5.2.2 Interswitch Calls are- (calls not originating and terminating in the same switch) i.e., not the same 11 digit Common Language Location Identifier (CLLI) end office or a Host/Remote configuration)

5.2.2.1 Local Inter Switch Calls

5.2.2.1.1 General Principles

5.2.2.1.1.1 When a call originates from an Z-TEL ULS Port, Z-TEL will pay ULS-O and SS7 signaling charges. If the call routes over SWBT's common network, Z-TEL will pay charges for Blended Transport as reflected in Appendix Pricing UNE - Schedule of Prices.

5.2.2.1.1.1.1 The Parties agree that, for calls originated over unbundled local switching and routed over common transport, SWBT will not be required to record and will not bill actual tandem switching usage. Rather, Z-TEL will pay the rate shown on Appendix Pricing UNE - Schedule of Prices labeled "Blended Transport," for each minute of use of unbundled common transport, whether or not the call actually traverses the tandem switch.

5.2.2.1.1.2 On Local Inter Switch Calls that terminate to an Z-TEL ULS Port, Z-TEL will pay ULS-T charges.

5.2.2.1.2 Illustrative Call Flows are delineated in Attachment 1: Appendix Pricing UNE

The call flow diagrams provide examples of application of usage sensitive UNE charges and compensation as set out in Attachment 12: Compensation.

5.2.2.1.2.1 IntraLATA and InterLATA Toll Calls: General Principles

- 5.2.2.2.1.2 IntraLATA toll calls from aZ-TEL ULS Port will be routed to the end user intraLATA Local Primary Interexchange Carrier (LPIC) choice. Void of an end user third party intraLATA Local Primary Exchange Carrier (LPIC) choice, the intraLATA calls will be routed and compensated as reflected in Attachment 1: Call Flow Diagrams. When an interLATA toll call is initiated from an ULS port it will be routed to the end user interLATA PIC choice.
- 5.2.2.2.1.2.1 Z-TEL may provide exchange access transport services to IXCs for intraLATA traffic originated by or terminating to Z-TEL local service customers, upon request, using unbundled network elements. For interLATA toll calls and intraLATA toll calls (post dialing parity) that are originated by local customers using SWBT unbundled local switching, Z-TEL may offer to deliver the calls to the PIC at the SWBT access tandem, with Z-TEL using unbundled common transport and tandem switching to transport the call from the originating unbundled local switch to the PIC's interconnection at the access tandem. When the PIC agrees to take delivery of toll calls under this arrangement, then Z-TEL will pay SWBT ULS-O usage, signaling, common transport, and tandem switching for such calls. SWBT will not bill any access charges to the PIC under this arrangement. Z-TEL may use this arrangement to provide exchange access services to itself when it is the PIC for toll calls originated by Z-TEL local customers using SWBT unbundled local switching.
- 5.2.2.2.1.2.2 If the PIC elects to utilize end office transport to route its interLATA toll calls or intraLATA toll that are originated by Z-TEL end user using SWBT unbundled local switching, then Z-TEL will pay SWBT ULS-O usage and signaling in connection with such calls. SWBT will not bill the PIC any originating switching access charges in connection with such calls.
- 5.2.2.2.1.3 When a PIC routes an IntraLATA or InterLATA toll call utilizing SWBT Access Tandem or routes directly to a SWBT end office and delivers such toll calls to a Z-Tel ULS Port, Z-TEL will pay ULS-T charges and SWBT will not charge terminating access to Z-TEL

5.2.2.3 Toll Free Calls

When Z-TEL uses ULS Ports to initiate an 800-type call, Z-Tel will pay the 800 database query charge and ULS-O charge as delineated in the call flow diagrams in Attachment 1 of Appendix Pricing UNE. Z-TEL will be responsible for any billing to the IXC for such calls.

ATTACHMENT 12: COMPENSATION

1.0 Introduction

SWBT agrees to comply with all Missouri Commission reciprocal compensation decisions regarding Internet traffic subject to the final outcome of appeals of those decisions and the reciprocal compensation selected by the CLEC under this agreement. Both parties, however, reserve all rights to contest any order or decision requiring the payment of reciprocal compensation for Internet traffic, including the right to seek refunds or to implement a new system of reciprocal compensation, pursuant to regulatory or judicial approval. SWBT will make available to a CLEC that is similarly situated to another ILEC or CLEC (*i.e.*, similar traffic types and the same geographic areas as defined by rate centers) each compensation arrangement for serving customers in optional or mandatory, one way or two way EAS, area serviced by such ILEC or CLEC similar to the corresponding arrangement that SWBT has with that ILEC or CLEC for serving those customers.

- 1.1 For purposes of compensation under this Agreement, the telecommunications traffic traded between CLEC and SWBT will be classified as either Local Traffic, Transit Traffic, IntraLATA Interexchange Traffic, InterLATA Interexchange Traffic, FGA Traffic, or Cellular Traffic. The compensation arrangement for terminating calls from a Cellular provider to CLEC or SWBT end users is set forth in Section 8.0 of this Attachment. The compensation arrangement for the joint provision of Feature Group A (FGA) Services is covered in Appendix FGA, attached hereto and incorporated by reference. The Parties agree that, notwithstanding the classification of traffic under this Agreement, either Party is free to define its own "local" calling area(s) for purposes of its provision of telecommunications services to its end users. However, either party providing Metropolitan Calling Area (MCA) service shall offer the full calling scope prescribed in Case No. TO-92-306, without regard to the identity of the called party's local service provider. The parties may offer additional toll-free outbound calling or other services in conjunction with MCA service, but in any such offering the party shall not identify any calling scope other than that prescribed in Case No. TO-92-306 as "MCA" service. The provisions of this Attachment apply to calls originated over the originating carrier's facilities or over unbundled Network Elements. The provisions of this Attachment do not apply to traffic originated over services provided under local Resale services, except the parties shall recognize those calls as MCA calls where appropriate.

Calls originated by CLEC's end users and terminated to SWBT's end users (or vice versa) will be classified as "Local Traffic" under this Agreement if: (i) the call originates and terminates in the same SWBT exchange area; or (ii) originates and terminates within different SWBT Exchanges that share a common mandatory local calling area, *e.g.*, mandatory Extended Area Service (EAS), or other like types of mandatory expanded local calling scopes; or (iii) originates and terminates within Metropolitan Calling Areas (MCA) that share either mandatory or optional calling scopes.

For compensation purposes, Local Traffic does not include "MCA Traffic" pursuant to the Missouri Public Service Commission Orders in Case No. TO-92-306 and Case No. TO-99-483. Non-MCA Traffic is all Local Traffic that is not defined as MCA Traffic.

Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, MCA Traffic shall be exchanged on a bill-and-keep intercompany compensation basis meaning that the party originating a call defined as MCA Traffic shall not compensate the terminating party for terminating the call.

- 1.1.1 The parties agree to use the LERG to provision the appropriate MCA NXXs in their networks. The LERG should be updated in accordance with industry standards for opening a new code to allow the other party the ability to make the necessary network modifications. If the Commission orders the parties to use an alternative other than the LERG, the parties will comply with the Commission's final order.
- 1.1.2 If CLEC provides service via resale or in conjunction with ported numbers, the appropriate MCA NXXs will be updated by SWBT.
- 1.2.1.1 Upon reasonable belief that traffic other than wireline Local, , Cellular if utilizing ULS as outlined in Section 8 herein EAS Traffic as defined in Section 1.1 of this Attachment is being terminated under this long-term local Bill and Keep arrangement, either Party may request a meeting to confirm the jurisdictional nature of traffic delivered as Bill and Keep. Parties will consult with each other to attempt to resolve issues without the need for an audit. Should no resolution be reached within 60 days, an audit may be requested and will be conducted by an independent auditor under an appropriate non-disclosure agreement. Only one audit may be conducted by each Party within a twelve month period.
- 1.2.1.2 The auditing Party will pay the audit costs unless the audit reveals the delivery of a substantial amount of traffic other than wireline Local, , Cellular if utilizing ULS as outlined in Section 8 herein EAS Traffic for termination under the long term local Bill and Keep arrangement. In the event the audit reveals a substantial amount of traffic other than wireline Local, , Cellular if utilizing ULS as outlined in Section 8 herein EAS Traffic, the Party delivering such traffic will bear the cost of the audit and will pay appropriate compensation with interest at the commercial paper rate as referenced in Section 8 of the general terms and conditions of this Agreement.
- 1.2.1.3 The Parties will consult and negotiate in good faith to resolve any issues of accuracy or integrity of data collected, generated, or reported in connection with audits or otherwise.
- 1.2.1.4 The audit provisions set out in sections 1.2.1.1 through 1.2.1.3 above do not alter or affect audit provisions set out elsewhere in this Agreement.

2.0 Responsibilities of the Parties

- 2.1 Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved.
- 2.2 Each Party will include in the information transmitted to the other for each call being terminated on the other's network (where available), the originating Calling Party Number (CPN).
- 2.3 The type of originating calling number transmitted depends on the protocol of the trunk signaling used for interconnection. Traditional toll protocol will be used with Multi-Frequency (MF) signaling, and Automatic Number Identification (ANI) will be sent either from the originating Parties end office switch to the terminating Parties tandem or end office switch.
- 2.4 Where one Party is passing CPN but the other Party is not properly receiving information, the Parties will cooperatively work to correctly rate the traffic.

3.0 Reciprocal Compensation for Termination of Local Traffic, including Internet traffic

- 3.1 Both parties agree to a Bill and Keep arrangement for local and internet traffic for the term of this agreement. Local and internet traffic are defined in Section 1 of this Attachment and do not include Transit Traffic, Optional Calling Area Traffic, nor Cellular traffic (traffic terminated from or to a Cellular telephone exchange service provider), which shall be subject to compensation as provided in Appendix Cellular and/or Section 8.0 of this Attachment, as applicable. In addition, where Z-Tel is providing telecommunications services to Z-Tel end users via Unbundled Local Switching (ULS), call detail records for local and internet traffic recorded between Z-Tel and SWBT will not require the exchange of records for compensation purposes as outlined in Section 7_ below. There will be no compensation for nor record exchange of Cellular calls between SWBT and Z-Tel when Z-Tel utilizes a SWBT provided Unbundled Local Switch Port for the delivery of Cellular traffic between the parties.
- 3.1.1 Both parties agree to a Bill and Keep arrangement for optional calling area traffic including one way and two way EAS arrangements. This arrangement applies to all terminating traffic for calls to and from a specific EAS area and the associated metropolitan area. . In addition, call detail records for EAS recorded between Z-Tel and SWBT will not require the exchange of records where Z-Tel is providing telecommunications services to Z-Tel end users via ULS. There will be no compensation for nor record exchange of Cellular calls between SWBT and Z-Tel when Z-Tel utilizes a SWBT provided Unbundled Local Switch Port for the delivery of Cellular traffic between the parties.

3.3 Rate Elements:

3.3.1 A Tandem Served rate element is applicable to Tandem Routed Local Traffic on a terminating local MOU basis and includes compensation for the following sub-elements:

3.3.1.1 Tandem Switching - compensation for the use of tandem switching functions.

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

3.3.1.3 End Office Switching - compensation for the local end office switching and line termination functions necessary to complete the transmission.

3.3.2 An End Office Served rate element applies to direct-routed Local Traffic on a terminating local MOU basis and includes compensation for End Office Switching. This includes direct-routed Local Traffic that terminates to offices that have combined tandem and end office functions.

3.3.3 Transport and termination rates will vary according to whether the traffic is routed through a tandem switch or directly to the end office switch. The transport and termination rates assessed on the originating carrier should reflect the functions performed by the terminating carrier in transporting and terminating the calls. To the extent new technologies such as fiber ring or wireless network enable CLEC's end office switch to perform functions similar to those performed by SWBT's tandem switch and thereby to serve a geographic area comparable to that served by SWBT's tandem switch the transport and termination rates for all calls terminated to CLEC's switch will be the rates for tandem switching, tandem transport, and end office switching. However, if CLEC's switch is able to serve the same geographic areas as SWBT's tandem switch only by virtue of being connected to SWBT's tandem switch, CLEC will not charge SWBT the tandem interconnection rates because CLEC's end office switch is not performing any functions equivalent to those performed by SWBT's tandem switch.

3.4 Local Interconnect: These prices for the termination of local traffic, where Bill and Keep is not applicable, are as follows:

Prices

Tandem Switching \$0.00151/MOU

Tandem Common Transport

Facility Cost per Minute, per Mile:

Zone 1	\$0.000002
Zone 2	\$0.000007
Zone 3	\$0.000015
Zone 4	\$0.000001
Interzone	\$0.000003

Cost per Minute of Use

Zone 1	\$0.000190/MOU
Zone 2	\$0.000285/MOU
Zone 3	\$0.000302/MOU
Zone 4	\$0.000162/MOU
Interzone	\$0.000332/MOU

End Office Switching

Zone 1	\$0.001988/MOU
Zone 2	\$0.002391/MOU
Zone 3	\$0.003444/MOU
Zone 4	\$0.002934/MOU

4.0 Reciprocal Compensation for the Termination of Transit Traffic

- 4.1 Transit Traffic (also known as Through-put) is a switching and transport function only, which allows one Party to send Local Traffic, as defined in Section 1.1, to a third party network through the other Party's tandem. Therefore, a Transit Traffic rate element applies, except for MCA Traffic, to all MOUs between a Party and third party networks that transit the other Party's tandem switch. The originating Party is responsible for the appropriate rates unless otherwise specified. The Transit Traffic rate element is only applicable when calls do not originate with (or terminate to) the transit Party's end user. Pursuant to the Missouri Public Service Commission Order in Case No. TO-99-483, the Transit Traffic rate element shall not apply to MCA Traffic (i.e., no transiting charges shall be assessed for MCA Traffic).

Price**Transit Traffic:**

Tandem Switching \$0.00151/MOU

Tandem Common Transport**Facility Cost per Minute, per Mile:**

Zone 1	\$0.000002
Zone 2	\$0.000007
Zone 3	\$0.000015
Zone 4	\$0.000001
Interzone	\$0.000003

Cost per Minute of Use

Zone 1	\$0.000190/MOU
Zone 2	\$0.000285/MOU
Zone 3	\$0.000302/MOU

Zone 4	\$0.000162/MOU
Interzone	\$0.000332/MOU

5.0 Reciprocal Compensation For Termination Of IntraLATA Interexchange Traffic

- 5.1 Except as otherwise provided in this Agreement, for intrastate intraLATA traffic compensation for termination of intercompany traffic will be at access rates as set forth in each Party's own applicable intrastate access tariffs. For mandatory extended area service (EAS), or other like types of mandatory expanded local calling scopes; or traffic that originates and terminates within Metropolitan Calling Areas (MCA) that share either mandatory or optional calling scopes, compensation will be applied pursuant to Section 1.1 above.
- 5.2 For intrastate interLATA interexchange service traffic, compensation for termination of intercompany traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service, including the Carrier Common Line (CCL) charge, as set forth in each Party's intrastate access service tariff. For interstate intraLATA service, compensation for termination of intercompany traffic will be at terminating access rates for MTS and originating access rates for 800 Service including the CCL charge, as set forth in each party's interstate access service tariff.

6.0 Compensation for Origination and Termination of Switched Access Service Traffic to or from an Interexchange Carrier (IXC) (Meet-Point Billing (MPB) Arrangements)

- 6.1 For interLATA traffic and intraLATA traffic, compensation for termination of intercompany traffic will be at access rates as set forth in each Party's own applicable interstate or intrastate access tariffs.
- 6.2 The Parties will establish MPB arrangements in order to provide Switched Access Services to Interexchange Carriers via a Party's access tandem switch, in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECOD and MECAB documents. Except as modified herein, MPB will be determined during joint network planning.
- 6.3 The Parties will maintain provisions in their respective federal and state access tariffs, or provisions within the National Exchange Carrier Association (NECA) Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 6.4 As detailed in the MECAB document, the Parties will exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services jointly handled by the parties via the MPB arrangement. The Parties will exchange the information in Exchange Message Interface (EMI) format, on magnetic tape or via a mutually acceptable electronic file transfer protocol. Where the EMI records cannot be transferred due to a failure of the Connect: Direct, records can be provided via magnetic

tape, under the specifications contained in Attachment 4: Connectivity Billing and Recording. The initial billing company (IBC) will provide the information to the subsequent billing company within ten (10) working days of sending the IBC's bills. The exchange of records to accommodate meet point billing will be on a reciprocal, no charge basis.

6.5 Initially, billing to interexchange carriers for the Switched Access Services jointly provided by the parties via the MPB arrangement will be according to the multiple bill single tariff method. As described in the MECAB document each Party will render a bill in accordance with its tariff for its portion of the service. Each Party will bill its own network access service rates to the IXC. The residual interconnection charge (RIC), if any, will be billed by the Party providing the End Office function.

6.6 MPB will also apply to all jointly provided traffic bearing the 900, 800 and 888 NPAs or any other non-geographical NPAs which may likewise be designated for such traffic where the responsible party is an IXC.

7.0 **Billing Arrangements for Compensation for Termination of Transit Traffic.**

7.2 Other than for traffic described in Section-6 above, each Party will deliver monthly settlement statements for terminating the other Party's traffic based on a mutually agreed schedule as follows:

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

7.2.2 Each Party will transmit the summarized originating minutes of use from Section 7.2.1 above to the transiting and/or terminating Party for subsequent monthly intercompany settlement billing.

7.2.3 Bills rendered by either Party will be paid within 30 days of receipt subject to subsequent audit verification.

7.2.4 Detailed technical descriptions and requirements for the recording, record exchange and billing of traffic are included in the Technical Exhibit Settlement Procedures (TESP), a copy of which has been provided to CLEC by SWBT.

7.3 Minutes of use (MOUs) for the rates contained in this Attachment will be measured in seconds by call type, and accumulated each billing period into one minute increments for billing purposes in accordance with industry rounding standards.

7.4 Each Party will multiply the tandem routed and end office routed terminating MOUs by the appropriate rate contained in this Attachment to determine the total monthly billing to the other Party.

- 7.5 If the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information will be billed as either Local Traffic or intraLATA Toll Traffic in direct proportion to the MOUs of calls exchanged with CPN information. If the percentage of calls passed with CPN is less than 90%, all calls passed without CPN will be billed as intraLATA Toll Traffic.
- 7.6 CLEC and SWBT agree to the measuring and billing procedures in Sections 7.6 through 7.10 of this Attachment. The Parties must utilize the 92-type originating record process described in Sections 7.7 through 7.10 for all Transit Traffic unless and until either the Missouri PSC or FCC requires an alternative approach for the exchange of usage information for such traffic for use by all industry participants, if not the Parties will use the dispute resolution method set out in Section 9.4 of the General Terms and Conditions of this Agreement. If the Missouri PSC or FCC requires an industry-wide, alternative approach, the Parties agree to negotiate a mutually acceptable implementation schedule for the new approach. If the Parties are unable to reach agreement the Parties may use the dispute resolution method set out in Section 9.4 of the General Terms and Conditions of this Agreement to resolve the dispute.
- 7.7 Other than for traffic described in Section-6 above, each Party will deliver monthly settlement statements for terminating the other Party's traffic based on a mutually agreed schedule as follows:
- 7.7.1 On a monthly basis, each Party will record its originating minutes of use including identification of the originating and terminating NXX for all intercompany calls.
- 7.7.2 Each Party will transmit the summarized originating minutes of usage within 15 business days following the prior month's close of business for all traffic including, Local, transiting, and optional EAS via the 92-type record process as outlined in Section 7.7.4 below from data outlined in Section 7.7.1 above to the transiting and/or terminating Party for subsequent monthly intercompany settlement billing. This information will also be utilized by the Parties for use in verifying and auditing to confirm the jurisdictional nature of Local Traffic and is required from the originating Party under the terms of this agreement.
- 7.7.3 Bills rendered by either Party will be paid within 30 days of receipt subject to subsequent audit verification.
- 7.7.4 Detailed technical descriptions and requirements for the recording, record exchange and billing of traffic are included in the Technical Exhibit Settlement Procedures (TESP), a copy of which has been provided to CLEC by SWBT.
- 7.8 Minutes of use (MOUs) for the rates contained in this Attachment will be measured in seconds by call type, and accumulated each billing period into one minute increments for billing purposes in accordance with industry rounding standards.

- 7.9 Each Party will multiply the tandem routed and end office routed terminating MOUs by the appropriate rate contained in this Attachment to determine the total monthly billing to the other Party.
- 7.10 If the percentage of calls passed with CPN is greater than ninety percent (90%), all calls exchanged without CPN information will be billed as either Local Traffic or intraLATA Toll Traffic in direct proportion to the MOUs of calls exchanged with CPN information. If the percentage of calls passed with CPN is less than 90%, all calls passed without CPN will be billed as intraLATA Toll Traffic.

8.0 Compensation for Terminating Cellular Traffic

- 8.1 Each Party shall be obligated within a reasonable length of time to enter into agreements with Commercial Mobile Radio Service (CMRS) providers for the termination of wireless to landline traffic.
- 8.2 CLEC will pay the Local Transit Traffic rates (found in Section 4.0 of this Attachment) to SWBT for calls that originate on CLEC's network and are sent to SWBT for termination to a CMRS provider as long as such Traffic can be identified as wireless traffic. SWBT will pay the same Local Transit Traffic rate to CLEC for such calls that originate on SWBT's network and are sent through CLEC for termination on a CMRS Provider's network. Each Party shall be responsible for interconnection agreements with CMRS providers for terminating compensation regarding traffic originating on the Party's network and terminating on the CMRS provider's network. The Parties agree to cooperate with each other regarding third party compensation issues. In the event that the originating party does send traffic through the transiting party's network to a third party provider with whom the originating party does not have a traffic interchange agreement, then the originating party agrees to indemnify the transiting party for such traffic pursuant to Section 7.0 of the General Terms and Conditions portion of the Agreement.
- 8.3 When traffic is originated by either Party to a CMRS Provider, and the traffic cannot be specifically identified as wireless traffic for purposes of compensation between SWBT and CLEC, the traffic will be rated either as Local or Access and the appropriate compensation rates shall be paid by the originating Party to the transiting Party.

9.0 Interim Number Portability (INP)

- 9.1 The Parties agree that under INP, the net terminating compensation on calls to INP numbers will be received by each end user's chosen local service provider as if each call to the end user had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the end user's chosen local service provider. In order to accomplish this objective where INP is employed, the Parties will utilize the process set forth below in this Section (or other mutually developed and agreed to arrangement) whereby the net terminating compensation on calls subject to INP will be passed from the Party (the Performing Party) which performs the INP to the other Party (the Receiving Party) for whose end user the INP is provided.

- 9.2 The Parties will treat all ported calls as two separate call segments in the interLATA and intraLATA access billing and local interconnection settlement billing systems.
- 9.3 The Performing Party will quantify the total monthly terminating ported minutes of use to the Receiving Party for each end office of each Performing Party.
- 9.4 The Performing Party will quantify the total monthly interstate, intrastate, and local minutes of use in those Performing Party's end offices in accordance with Section 9.3 above in order to determine the jurisdictional percentages. The Receiving Party has the right to audit those percentages, not to exceed once per quarter. The Performing Party will provide the Receiving Party with detailed summary reporting on a total calling area basis each month.
- 9.5 Each month, using the percentages developed pursuant to Section 9.4 above, the Performing Party will calculate by end office the interstate and intrastate access adjustment amounts from the initial billing amounts under Section 9.2 for subsequent payment to the Receiving Party. This adjustment will be based on the Performing Party's interstate and intrastate access rates utilizing the applicable rate elements, i.e., carrier common line (CCL), residual interconnection charge (RIC), local switching (LS), local transport termination (LTT), and local transport facility (LTF).
- 9.6 Each month the Performing Party will calculate a local interconnection settlement billing credit related to the interstate and intrastate (non-local) ported calls from the initial billing amounts under Section 9.2. The billing credit for these non-local calls will be included with the calculation under Section 9.5 for subsequent reimbursement to the Performing Party on a net payment basis by the Receiving Party.

10.0 Compensation For Third Party UNE Terminated Traffic

- 10.1 Third Party UNE Terminated Traffic is defined as third party messages terminating to a UNE customer to whom a CLEC provides local service utilizing Unbundled Ports purchased from SWBT.
- 10.2 On an interim basis, each month, using mutual compensation data, SWBT will identify third party switch originated mutual compensation for each call terminated on a SWBT switch in the state of Missouri which will be divided by the number of SWBT access lines to arrive, at CLEC's election, at a statewide or end office average mutual compensation revenue per access line per month. This average revenue per month per line will be multiplied by the CLEC's switch port count for the statewide or end office (depending upon the CLEC's election to utilize a statewide or end office average) to arrive at the CLEC's compensation for the month. This arrangement will be in place until a long-term solution is adopted and applies only to third party UNE terminating messages. SWBT and CLEC agree to meet with the industry and Commission staff to identify and discuss proposals that would result in a permanent solution to address third party UNE terminated messages and Ported Numbers acceptable to all companies.

- 10.3 The Parties recognize that this arrangement only includes compensation for third party traffic where SWBT receives record data and revenues from the third party.